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John Major, left, leading Albert Reynolds, center, and the Irish foreign minister, Dick Spring, back into No. 10 Downing Street after their joint declaration Wednesday.

Accord Raises Hope For Peace in Ulster

Purpose of British-Irish Declaration Is to Draw the IRA Into Direct Talks

By John Darnton
New York Times Service
LONDON — After two years of diplomacy and weeks of intensive negotiations, Britain and Ireland agreed Wednesday on a declaration of general principles designed to bring about peace talks on Northern Ireland.

The document did not represent a departure from long-held positions, and it reaffirmed a commitment that Northern Ireland could remain a part of the United Kingdom for as long as most of its people want to.

But it was drawn up to show a new flexibility in the hope of luring the Irish Republican Army, the guerrilla organization fighting to expel Britain from Ulster and unite that northern province with the Irish Republic, to the bargaining table.

An official at No. 10 Downing Street, the residence of Prime Minister John Major, said that the most hopeful scenario went like this: The IRA publicly proclaims an end to violence, three months pass without serious incidents, exploratory talks are held with Sinn Fein, the IRA's political arm, to set up negotiations and then real negotiations begin, involving all the interested parties.

The official said the British government's "links" to the IRA were still open. Though the positions were reiterated, the language was in some cases a bit more forthright than before. But in general, the document obviously was drafted to thread a delicate course between being assertive and bland — demands of one side and bland enough not to whip up the passions of the other.

The next step is up to the IRA. Mr. Major declared. If the organization renounces violence for good, he pledged, then the British government is prepared to start "preliminary exploratory dialogue" with the Sinn Fein within three months.

Although the agreement Wednesday was seen as a significant event — it provides an overall framework for talks from the two countries, embroiled in the 25-year-old conflict — it does not commit the parties who are doing the

actual fighting: the Protestant Loyalists, who want to remain part of the United Kingdom, and the Catholic Nationalists, who want to join with the Republic.

By nightfall, there had been no definitive reaction from Sinn Fein or the IRA. A ranking official of Sinn Fein, Mitchell McLaughlin, was quoted by Britain's Press Association as saying that "the general reaction among many nationalists is one of disappointment" but that the party would study the declaration in depth.

"This is an historic opportunity for peace," said Prime Minister Albert Reynolds of Ireland, standing shoulder to shoulder with Mr. Major outside No. 10 Downing Street. "We hope that everyone will grasp it."

Mr. Major said the declaration "embodies our common view that it is now possible to end violence for good in Northern Ireland."

Momentum for peace in Northern Ireland has gathered in recent months, partly as a response to the example of negotiations in other seemingly intractable conflicts, such as the Middle East and South Africa, and partly as a result of events suggesting a new openness to dialogue on the part of the IRA.

For months beginning in April, the head of Sinn Fein, Gerry Adams, had been holding secret talks with a leading Northern Irish Catholic politician, John Hume, head of the Social Democratic Labor Party. And since February, it emerged only three weeks ago, the British government had engaged in secret contacts with the organization.

For Mr. Major, whose popularity has followed the downward curve of Britain's recession, a breakthrough on Northern Ireland would bring a considerable political dividend, aside from the personal satisfaction of ending a conflict that has claimed over 3,000 lives and drained the British spirit.

Basically, the seven-page declaration, consisting of 12 sections, reaffirms positions taken previously by the two governments, most notably in the 1985 Anglo-Irish Agreement that committed them to work together to try to end the sectarian violence between the Protestant majority of 950,000 and the Catholic minority of 650,000.

Aspin to Step Down as Defense Secretary

By Paul F. Horvitz
International Herald Tribune
WASHINGTON — President Bill Clinton announced Wednesday that Secretary of Defense Les Aspin would resign from his cabinet post at the Pentagon, effective Jan. 20.

It was not immediately clear why Mr. Aspin quit, Mr. Clinton cited "personal reasons," saying that Mr. Aspin had asked to go and that he had agreed.

Aspin had come under increasing criticism in recent months for his handling of U.S. military policy in Somalia, especially after 18 U.S. soldiers were killed in Mogadishu. Mr. Aspin later acknowledged that he had rejected a request from the U.S. commander in Somalia to send more armored vehicles, which might have hastened the rescue of the Americans during a fierce firefight.

He had also been criticized anonymously for a perceived failure to offer the public a clear view of U.S. foreign policy; criticism that was also focused on Secretary of State Warren M. Christopher and W. Anthony Lake, the national security adviser.

Mr. Aspin had a serious heart ailment for some years, but his doctors had said in recent months that he could continue to perform his duties.

GATT Deal: 'More Trade, Jobs and Growth'

Compiled by Our Staff From Dispatches
GENEVA — With the tap of a gavel, Peter Sutherland, the director-general of GATT, formally approved the world's most ambitious trade agreement on Wednesday — the Uruguay Round Final Act.

Several countries have already said that they may not be able to change their own laws in time for that deadline.

He said the pact "meets the test of a good accord" because it would create jobs and income by fostering a boom in exports. He acknowledged that it "did not accomplish everything we wanted" but said that overall, "I believe this new GATT is good for America."

Community officials responded with a multi-million-dollar package of aid to try to counter any damage to the industry.

Euphoria Won't Pass It: Congress Sees 18 Months

By Thomas L. Friedman
New York Times Service
WASHINGTON — It may face fewer obstacles than the North American Free Trade Agreement did in Congress, but the GATT agreement could take at least 18 months to be ratified.

representing consumer and environmental interests, said: "It appears the administration has thrown down the gauntlet for another battle over trade."

France's success in the trade negotiations stands to benefit Prime Minister Edouard Balladur, who waved to deputies as he prepared to address the Assembly.

Reformers in Russia Gain Ground, and Composure

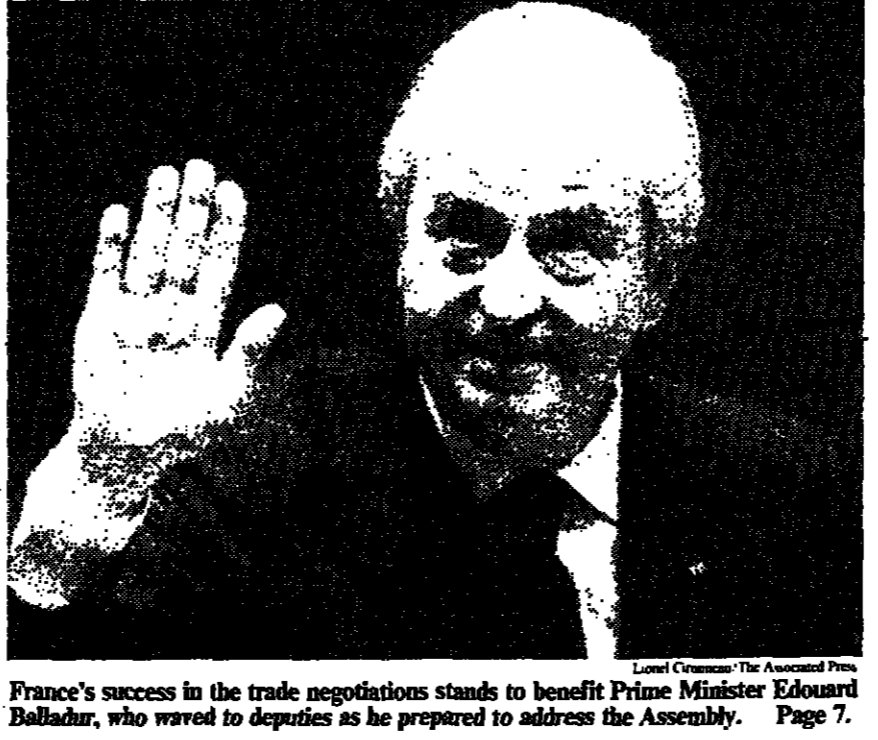
By Serge Schmemmann
New York Times Service
MOSCOW — The initial wave of panic over Vladimir V. Zhirinovskiy's strong showing in the Sunday election abated on Wednesday as tallies of independent candidates reportedly showed that reformers would still form the largest single bloc in the new parliament.

The count still amounted to a dramatic showing by a politician only recently dismissed as a bombastic nationalist and clown. But it also confirmed that the huge protest vote encountered in the party lists did not extend to individual candidates, who would be better known in their districts.

12 Are Killed in Algeria In Anti-Foreigner Attack

Compiled by Our Staff From Dispatches
ALGIERS — Armed attackers have knifed to death 12 Croatians and Bosnians in the worst single attack on foreigners in Algeria since Muslim militants began singling them out.

were carrying out nearby. Two workers there were wounded, one seriously; the other eight were not harmed.



| | | | |
|------------------|-------------|----------------|---------------|
| Dow Jones | 25.71 | Trib Index | 0.20% |
| Down | 3,716.92 | Down | 108.18 |
| The Dollar | | | |
| New York | 1.7173 | previous close | 1.7146 |
| DM | 1.6785 | | 1.6895 |
| Pound | 1.09765 | | 1.09375 |
| Yen | 5.992 | | 5.9638 |
| FF | | | |
| Newsstand Prices | | | |
| Bahrain | 0.800 Dir | Algeria | 35 c |
| Cyprus | 2.100 | Nigeria | 45.00 Naira |
| Denmark | 14.80 D.Kr. | Norway | 15 N.Kr. |
| Finland | 11 F.M. | Orman | 1,000 Riols |
| Gibraltar | 0.85 | Oman | 8.00 Riols |
| Great Britain | 0.85 | Rep. Ireland | £1.00 |
| Egypt | E.P. 5000 | Saudi Arabia | 9.00 R |
| Jordan | J.J.D | South Africa | R 6 |
| Kenya | K. S.H. 150 | U.A.E. | 8.50 Dirh |
| Kuwait | 300 F.H.S | U.S. Mil. | (Eur.) \$1.10 |

Kiosk

Patten Moves On Election Bill

Governor Chris Patten of Hong Kong sent his package of election reform measures to the colony's legislature on Wednesday, and Beijing responded angrily by referring to the move as "sabotage."

Dirty Dancing: Japan 'OLs' Take It Off

By Teresa Watanabe
Los Angeles Times Service
TOKYO — By day, Kumiko Takahashi wears white gloves, a prim hat and a placid expression as she bows and announces the floors in a siagson voice operating elevators for a major department store.

order exists in the workplace, here at the Ronde Club in Tokyo's Akasaka party town, women reign supreme.

Rise of Zhirinovsky Leaves Germany Deeply Disturbed

By Rick Atkinson

BERLIN — Chancellor Helmut Kohl sought to reassure Germany on Wednesday in the aftermath of ultra-nationalist electoral gains in Russia...

mass circulation newspaper Bild, pledged continued support for the reforms of President Boris N. Yeltsin of Russia. While acknowledging the need to "carefully observe developments" in Russia, he counseled patience...

voters on Sunday, a Wickert Institute opinion poll revealed Tuesday found that 77 percent of Germans surveyed had negative feelings about the election results...

would be disastrous to change the course now. That would really play into Zhirinovsky's hands. We mustn't give the nationalists any excuse to say the West is either turning away from Russia or ganging up on Russia...

WORLD BRIEFS

London to Start Nuclear Fuel Plant

LONDON (NYT) — Britain approved on Wednesday the start-up of a nuclear-fuel reprocessing plant, despite U.S. concern that the project might undermine efforts to halt the spread of nuclear weapons...

Ex-Aide Disputes Thatcher on Iraq

LONDON (WP) — A maverick former government minister has sharply contradicted assertions by Margaret Thatcher and others that they did all they could to block arms-related sales to Iraq in the late 1980s...

Pan Am Sues Libya for \$300 Million

EDINBURGH (AP) — Pan American World Airways is suing Libya for \$300 million for the bombing of Flight 103, which killed 270 people at Lockerbie, Scotland, Dec. 21, 1988...

Did Miss Mussolini Fudge on Exam?

ROME (AP) — Alessandra Mussolini said she would see her lawyer Wednesday following published reports that a prosecutor is seeking her indictment for allegedly paying university clerks to falsify certify that she had taken two exams...

No Reconciliation Meeting for Haiti

PORT-AU-PRINCE, Haiti (Reuters) — Prime Minister Robert Malval canceled plans on Wednesday to hold a national reconciliation conference, saying, "I have not received the support I expected."

For the Record

Prime Minister Jean Chrétien of Canada on Wednesday appointed his nephew, Raymond Chrétien, as ambassador to the United States. He also recalled General John de Casanova to assume duties as chief of defense staff to replace Admiral John Anderson.

TRAVEL UPDATE

Sweden Airport Union Cancels Strike

STOCKHOLM (Reuters) — Sweden's transport workers' union called off a one-day strike by airport ground employees scheduled for Monday after the union and employers agreed late Tuesday to a contract on wages and working conditions...

DANCING: The Rage in Japan

Tokyo, the city's most famous spot for dirty dancing to get a peek: "It's wonderful. My, the young women's legs today are so pretty and well shaped! So different from our generation. I was really impressed."

The British Give Arafat A Royal Welcome

By William E. Schmidt

LONDON — Basking in the warmth of his first official visit to Britain, Yasser Arafat, the chairman of the Palestine Liberation Organization, gave few hints on Wednesday that he was troubled by the growing thickets of problems he left behind in the Middle East...



An Israeli soldier moving a Palestinian deportee on one side for a check Wednesday as the last of the exiles to Lebanon returned home.

No Change in Policy, Clinton Declares

International Herald Tribune

WASHINGTON — President Bill Clinton vowed Wednesday to continue U.S. support for democratic reform in Russia, saying he saw no evidence that the process had been sidetracked and cautioning against an overreaction to election returns...

White House officials described Sunday's voting in Russia as a solidification of democratic institutions and said no reassessment of U.S. policy would take place. They said that the surprisingly strong showing by an ultranationalist party would translate into far less power in the Russian parliament than initial reports may have indicated...

Mr. Clinton sought to calm fears of a strategic upheaval in U.S.-Russian relations, and by extension in Europe's relations with Russia, when he said at a news conference: "It is important at this moment not to overreact."

Mr. Clinton said he was "concerned by some of the comments" of the ultranationalist leader, Vladimir V. Zhirinovskiy, whom he did not specify by name. But he said he saw no indication that Russian voters were embracing all that Mr. Zhirinovskiy favors...

He said the United States should redouble its effort to support democratic change in Russia. "Because I don't know that there will be any change in Russian policy, I don't see any basis for a change in our policy at this time," Mr. Clinton said.

In a meeting in Moscow with Vice President Al Gore, Mr. Yeltsin gave "very clear assurances" that Russian foreign policy would remain on its current reform track, a U.S. official told journalists in Washington.

Nevertheless, they said, U.S. diplomats have been in close touch since Sunday's voting with leaders of the Baltic nations, the Ukraine and other former Soviet republics to make certain that current policies remain intact.

Senior U.S. officials characterized the parliamentary election returns as incomplete and inconclusive. But they said that the pattern so far indicated that Mr. Zhirinovskiy and his Liberal Democratic Party, while taking a surprisingly strong lead in returns, would not gain a substantial bloc of seats in the new parliament, largely because of rules apportioning seats.

In Moscow, Mr. Gore called statements by Mr. Zhirinovskiy on the use of nuclear weapons and the expansion of Russian borders as "repellent."

Referring to the rhetoric of the ultranationalist, the president said at his news conference: "Am I concerned about that? Yes, I am. Do I think that this means there'll be a big new dangerous direction in Russian policy? I don't think there's any evidence to support that."

Later, White House aides made the case in even stronger terms. "I think it's quite clear," said one, "that we're going to continue very strongly, privately and publicly, support for Russian reform, and that means a continuation of American economic assistance."

"We have a certain faith," he said, "that reform is going to continue" and that it is "the destiny of the Russian people at this point in their history."

Said another official: "The fact that the constitution was approved is a very significant fact. It provides what the Russian people and the Russian political system has lacked over the last two years, and that is some structure, some rules of the road."

— PAUL F. HORVITZ

Neo-Nazis Reported Using Computer Net

BONN — German neo-Nazis have used a national computer network to trade bomb-making tips, propaganda and the names of leftist foes, according to a computer magazine. The German monthly Chip said that its research had uncovered eight so-called electronic mailboxes — computer lines set up for individuals to exchange messages — linked in a national far-right network...

Serbs Intervene to Support Rebel Muslims

SARAJEVO, Bosnia-Herzegovina — Serbian artillery opened fire on the Muslim-led Bosnian Army to support rebel Muslims who have broken away from the Sarajevo government, a United Nations spokesman said on Wednesday. He said the shelling had been going on for three days as Serbian gunners supported the Muslims of the Bihac pocket in northwest Bosnia, led by a food tycoon, Filket Abdic, in fighting against government forces...

EUROPEAN TOPICS

Electric Cars Are Put To Test in French Port
A major French experiment in the use of electric cars begins this week in the port city of La Rochelle. Electric cars have been around for years, but what La Rochelle is doing different is making itself user-friendly. Under an agreement involving the city, the French electricity authority, EDF and the automaker PSA, 50 battery-powered Citroëns and Peugeot's will be rented to private users for 900 to 1,000 francs (\$150 to \$170) a month...

Is religion good for your health? Well, yes and no. Researchers at Rotterdam's Erasmus University studied 134 Benedictine and Trappist monks. They confirmed earlier findings that people who lead abstemious lives because of religious discipline do live longer — but according to the new study, they may not live better. The Dutch monks studied — their average age was 63 — suffered less from heart disease and chronic bronchitis than other Dutch of similar age and education. But they were more likely to complain of migraines, arthritis, rheumatism and sinusitis. The Times of London says this brings to mind the joke: "If you give up smoking, drinking and sex, you don't live longer, it just seems longer."

Paris, International Financial Center

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Herald INTERNATIONAL Tribune

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Free Trade Wins a Round

It looks as if GATT is ending the right way after all. In a victory for free trade...

damage could be even deeper. A narrow nationalism in trade can easily become a narrow nationalism in things like immigration policy...

Delay on the Road to Peace

Encouragement Needed

The delay on the road to an Arab-Israeli peace is disappointing but surely not fatal.

Mr. Rabin, he speaks from national weakness, but, too, speaks for peace.

Israelis are vulnerable to spasms of doubt triggered by incidents of terrorism.

The issues on which the two sides are deadlocked look small next to the great issues — refugees, settlers, borders, Jerusalem — meant to be left to later negotiation.

Israelis and Palestinians alike need a special kind of support from their friends: not the usual patronage but encouragement — stern as well as sympathetic — to take hard decisions.

There is no shortage of good ideas to bridge the gaps of negotiation. There is a shortage of political capacity, which must proceed from within.

Momentum Put at Risk

Israel's prime minister, Yitzhak Rabin, and the Palestine Liberation Organization's chairman, Yasser Arafat, took brave risks this summer when they initiated a framework agreement on self-rule for Gaza and Jericho.

Some of the differences can be split, although not necessarily down the middle. For example, the boundaries of Jericho could be drawn somewhere between the area that Israel insists on.

Other Comment

Caught in the Middle

Up to now, the West has reacted with restraint to proposals for admitting Central European states to NATO, so as not to irritate Moscow and to cool its imperial aspirations.

Bad Choices, Bad Advice, and Now a Different Russia

By Dimitri Simes

WASHINGTON — "Dear Mr. President, I strongly urge you to avoid a confrontation with the Russian Congress."

The U.S. administration supported Mr. Yeltsin's confrontation instincts, bitterly dividing Russian society in the process.

Washington should let the Russians decide for themselves which model of economic reform they can pursue without risk of social upheaval.

Mr. Nixon did not give the advice out of a lack of belief in Mr. Yeltsin; on the contrary, he was an early Yeltsin supporter in the United States and played a major role in convincing the hesitant Bush administration in 1991 that Mr. Yeltsin rather than the U.S. darling at the time, Mikhail Gorbachev, was the man of the future in Russia.

The Russian president decided to follow the very different advice of the Clinton administration. His chief of presidential administration, Sergei Filatov, has revealed that even before the Congress of People's Deputies was dissolved on Sept. 21, the Russian government was assured by Washington that the United States would approve "resolute measures" in disregard of the Russian constitution, if necessary, to accelerate economic reforms.

American policymakers left no doubt that U.S. support for Russia was contingent upon Moscow's pursuit of "shock therapy" economic reforms and willingness to follow the U.S. lead on most foreign policy issues.

The Russians are obviously principally responsible for their own choices, but to the extent to which the Clinton administration had an impact on their decision, that impact was mostly counterproductive.

been carefully drafted to avoid hurting U.S. and European businesses but that largely ignored Russian interests.

Many outside analysts warned the Clinton administration that in a country such as Russia — in which there is no democratic tradition, in which the majority of the population has already been badly hurt by reforms and in which most citizens are in pain over the loss of empire, stability and power — forcing the Yeltsin government to walk in lockstep with Washington (Mr. Nixon's term) was a dangerous gamble, very likely to create an anti-reform, anti-Western backlash.

The West Has Helped to Arouse an Irresponsible Nationalism

By William Pfaff

PARIS — The time has come for Western governments to rethink their efforts to do good in Russia.

One result of those efforts is election of a parliament of irresponsible nationalist majority — less menacing to Russia's neighbors perhaps than to Russia's own chaotic political society and ravaged economy, but an international menace nonetheless.

The success of Vladimir Zhirinovskiy's nationalist movement obviously has more complicated causes than simply what the West has done in Russia. Nonetheless, bad Western advice has crucially contributed to what has gone wrong with economic reform and has stoked the anti-Westernism that gave Mr. Zhirinovskiy's followers a quarter of the vote in Sunday's national elections.

The sole positive comment that can be made about the debacle is that Mr. Zhirinovskiy and his nationalists are not serious. Russians are not confronted with a party possessing a coherent doctrine and program, as with fascism in Italy after World War I or Nazism in the 1920s and '30s.

The last majority of Russians have grown poorer as a result. Industrial production is only 60 percent of what it was three years ago. The British scholar Alex Novy writes that now "the Brezhnev era seems to Russians a golden age." Inflation is 20 percent per month. The birthrate has fallen, and the death rate has increased, as social and medical services have fallen into dilapidation.

This is rubbish, and in six months it will be clear to the Russian voters that it is rubbish. The importance of

Mr. Zhirinovskiy's success is that he has revealed how profound is the ordinary Russian's dismay and fear at what has been happening in this country and to the lives of Russians.

For this the West bears a considerable responsibility. Its international institutions such as the IMF, its governments, bankers, academic economists and business people have insisted that Russia carry out a program of dismantling government, imposing economic austerity, deprivatizing the country in the guise of privatization, "liberalizing" a marketplace that scarcely existed.

The West's recommendations were far more radical than could have been applied in a Western country. Russia has, on Western counsel and as a condition of Western aid, been subjected to an irresponsible experiment, drafted by people with no personal stake in the outcome.

The key error was to expect that a functioning statist economic system, in a country lacking the institutions of civil society, could be turned into a market democracy by simply terminating the role of the state in the system.

The key error was to expect that a functioning statist economic system,

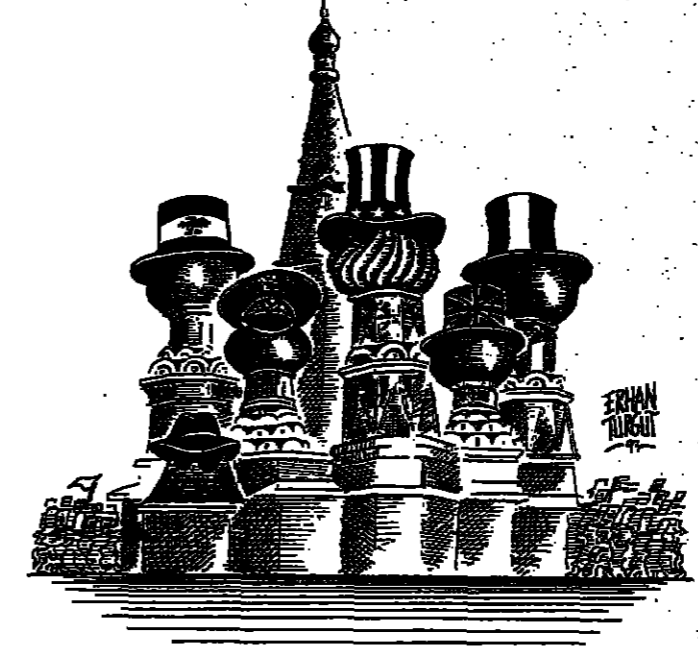
ment rather than an empirical one. It claimed that ending state intervention would produce a spontaneously generated market capitalism, with prosperity to follow. This was a case of what the late French political critic Raymond Aron called "délire logique" — logical delirium, the humorless application of irrelevant theory to uncomprehended reality, a specialty of the second-rate mind.

The other thing Western governments have done, and continue to do,

is to interpret the Russian political struggle in personalist terms, making Mikhail Gorbachev, and now Boris Yeltsin, the objects of unqualified Western support and the vehicle of Western policy expectations. This has made Western policy hostage to the success of these individuals, while making them seem, to many of their compatriots, agents of a Western intervention that thus far has had destructive consequences.

What has happened in Russia, and what will happen, is ultimately the responsibility of the Russians. They made the revolution in 1917, and all that followed, and glasnost and the counterrevolution. Russia's leaders need not have taken the course they have since 1989, and could have rejected Western advice and aid. They chose what they understood to be the modern Westernizing course, and the result is a nationalist backlash that threatens to turn Russia away from the West and toward isolation, and perhaps toward violence.

The danger is not Vladimir Zhirinovskiy. It is that he has opened the way for a serious nationalism, a truly anti-Western and pan-Slavic movement that would provide a contemporary articulation of forces that have dominated Russia at times in its past. As President Yeltsin's associates said in the weeks leading up to this election, Mr. Zhirinovskiy is merely a clown. But the clown leads a parade in which lions and tigers and elephants, freaks and monsters may in turn follow.



The writer is a senior associate at the Carnegie Endowment for International Peace. He contributed this column to The Washington Post.

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Clinton Is Right About Negative Press Coverage of Government

By Thomas E. Patterson

SYRACUSE, N.Y. — In his interview with Rolling Stone, Bill Clinton expounded on the claim that he had not honored his commitments. "I have fought more damn battles here for more things than any president in 20 years with the possible exception of Reagan's first budget and not gotten one damn bit of credit from the knee-jerk liberal press. I am damn sick and tired of it."

To the press, the outburst was the grouting of a thin-skinned politician. But Mr. Clinton was right that the press has been overly negative. His presidency has been dogged from the start by hypercritical coverage.

More than 60 percent of comments by nonpartisan sources have been un-

favorable, according to a study by the Center for Media and Public Affairs. And this reflects a long-term trend. My own study of news reporting from 1960 to 1990 confirms that the portrayal of politicians has grown more and more negative.

In the 1960s, less than a third of the American media's evaluative references to political leaders were unfavorable. In the 1980s, nearly two-thirds were. Watergate and Vietnam are viewed as the high point in critical coverage of American leaders, but they merely marked the beginning of a steady rise in negative news.

Why the sourness? Is it because, as

President Clinton implies, the nation's leaders are not liberal enough to suit the press's taste? Doubtful. Liberal politicians have not escaped the press's wrath. Research shows that the media routinely criticize liberals and conservatives alike.

Some criticism is richly deserved, but much is not. Take the press's allegation that Mr. Clinton has not kept his campaign promises. A few commitments have indeed fallen by the wayside, including his pledge to allow homosexuals into the military. But he has fulfilled many commitments: a tax increase on higher incomes, an end to the ban on abortion

counseling in family planning clinics, a health-care reform initiative, a family-leave program, banking reform, the North American Free Trade Agreement, a college-loan program, the Brady bill, a youth training program.

Contrary to what journalists say, politicians tend to keep their promises. Exhaustive studies have reached the same conclusion: victorious presidential candidates try to fulfill promises of all of their campaign promises and do fulfill most of them.

If before Watergate and Vietnam political manipulation was sometimes a topic, it is now almost a journalistic maxim: politicians do not merely lie on occasion, they are proverbial liars. The nature of news fosters this fiction.

Once it is honored, a commitment quickly loses its newsworthiness. When a promise is broken, its news value often increases. Although Mr. Clinton retracted his promise to open America's shores to the Haitian boat people nearly a year ago, the issue is still alive.

The rise in negative news can also be traced to a basic change in the style of reporting. In the '60s, the vast majority of stories were descriptive. They focused on events, describing in neutral terms what had happened. Today the great majority of stories are interpretive; they tell why.

The interpretive style increases the journalist's influence on the message. The reporter selects the interpretive theme, which drives the story. The major themes include the assertion that politicians are motivated almost solely by naked self-interest.

Some negativity is a good thing. But when criticism is synonymous with being "against" the politician, and negativity overwhelms the positive aspects of politics, the news becomes a barrier between the public and its leaders.

Negativity has damaged the press's credibility. Because the press finds fault with everything, the public discounts much of what it says.

In Times Mirror polls at the end of 1988 and 1992 campaigns, the public gave the media the lowest rating of any source — below that of the candidates, talk shows, debates, even televised ads and political consultants.

Rather than dismissing Mr. Clinton's complaint, the press should take a closer look at what it has become: a negative force that is losing the confidence of the public it seeks to serve.

The writer, a professor of political science at Syracuse University, is author of "Out of Order," about the media's role in selecting presidents. He contributed this column to The New York Times.

The Energy People Have Lied Enough

By Daniel S. Greenberg

WASHINGTON — In any competition for champion liar of the U.S. government, the Energy Department makes and guardian of the bomb, would be the easy winner.

Its mistruths and deceptions extend over a prodigious span of misdeeds, dating to the department's early postwar incarnation as the Atomic Energy Commission. These sins include nuclear contamination of large tracts of the landscape, denied by the commission and later by the Energy Department, until denial was no longer possible. Cleanup costs are certain to exceed \$100 billion; the health effects are a grave concern.

Among health experts, confidence in the department's integrity has long been low — so low that, when the Bush administration endorsed a nuclear cleanup, monitoring of the results was assigned to the Department of Health and Human Services.

Recently, the Energy Department revealed that radiation experiments had been carried out shortly after World War II on unwitting troops to assess battlefield effects of nuclear weapons. It has also confessed to conducting 294 secret nuclear tests over the past 35 years, a colossal deception. And it owns up to potentially disastrous conditions in its storage of immense quantities of poisonous waste from nuclear-weapons production, another menace that it long denied.

Many of the revelations were decried by Energy Secretary Hazel O'Leary, who says the department must "come clean." Her commitment merits applause. But it should be noted that 20 years ago, her predecessor at what was then the Atomic Energy Commission, Dixy Lee Ray, took of-

the legacy of falsehood has long endured, even in areas remote from nuclear weaponry.

As the chief governmental patron of nonmilitary physics research, the department provided the bulk of the ill-fated Superconducting Super Collider, the giant atom smasher whose construction was abruptly terminated by Congress, though \$2 billion had been spent on it.

In this matter, too, the Energy Department's penchant for deception came through, poisoning enough legislators to sink the Collider. The department initially sold the venture to Congress with an estimated price of \$4.4 billion and assurances that Japan and Europe would pitch in for up to half the costs.

As the costs began inexorably to rise, the department repeatedly assured Congress that the project was at last under tight fiscal control and foreign money would soon arrive.

When the end came, cost estimates had risen to \$11 billion and neither Japan nor Europe had contributed anything. The department, however, showed no embarrassment over its colossal mismanagement of the project or the many deceptions it had inflicted on Congress and the public. Instead, it grieved aloud about the failure of politics to share the joys of scientific discovery.

Standard behavior for the Energy Department. But it is time to dismember this slippery relic of the Cold War and replace it with an organization that recognizes the essence of both science and public service: commitment to truthfulness, even when it hurts.

Secrecy and falsehood were institutionalized during the war, to conceal the work that produced the atom bomb.

Scientists who raised questions about radiation hazards and nuclear safety were the subject of sneers by the old commission and its kept experts. Shielded from public scrutiny and criticism, lying responses came easily.

The Pentagon and the State Department are neither amateurish nor restrained in deviating from truthfulness. But their lying tends to be situational, aroused by and focused on particular problems. At the Energy Department, a legacy of lying as normal conduct dates to World War II, when secrecy and falsehood were institutionalized to conceal the work that produced the first atom bombs.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Debating Jonah

NEW YORK — In his address before the Young Men's Hebrew Association at Carnegie Hall Dr. Briggs asserted that biblical criticism was "sifting the rubbish" in the Bible.

The case of Jonah, after a desperate contest, the anti-critics will eventually come over to the position of the critics, that Jonah is an inspired work of the imagination, a beautiful religious story, and so escape the storm of historical criticism in the safe harbor of the higher criticism.

1943: Winter Offensive

LONDON — [From our New York edition:] The Germans announced yesterday [Dec. 14] two powerful Russian drives launched in White Russia — obviously harbingers of an offensive toward the Baltic and a link with the Allies in the West.

station platform. Senator Sidonio Pass was chatting with a group of Ministers when a young man approached and fired almost point-blank at the President. A great uproar ensued and, according to one report, the murderer was lynched by the infuriated people.

This winter will see a Soviet offensive on a larger scale than ever before. Winter is a most convenient time for Red Army operations, as the last two war winters have shown.

1948: President Slain

LISBON — The President of the Portuguese Republic was assassinated yesterday [Dec. 14] at the railway station. The tragedy occurred on the

International Herald Tribune advertisement listing contact information for various offices and subscription rates.

OPINION

Boxed In, Gadhafi Again Consorts With Terror

By Jim Hoagland

WASHINGTON — A moment comes when a tyrant crosses a line of no return. In the grip of megalomania, he is incapable of making rational calculations of cost and gain. He strikes out in fury and in fear, intent on destroying even if it means that destruction will visit him in turn.

Their plots for patience lie in ruins now that he has renewed his public embrace of terrorism, in word and deed. He has responded with vitriol and menace to the mild economic sanctions placed on his regime by the United Nations Security Council.

Politically sensitive visitors like Mr. Kikhya are routinely kept under surveillance by Egypt's internal intelligence service. His disappearance raises the question of Egyptian complicity in or tolerance of a Libyan plot to eliminate the Libyan exile movement.

LETTERS TO THE EDITOR

Steady as You Go

As world opinion tries to digest the sensational news of Russia's parliamentary elections, it is both timely and urgent to caution against any overreaction, especially on the part of the political leadership in Washington, London, Paris and Bonn.

Amputating History

In his cynical treatise on Thanksgiving, William Pfaff accuses Americans of absent-mindedly celebrating a holiday that, by virtue of its "white, Protestant, European, patriarchal origins" is somehow unseemly, and possibly obsolete.

The Kashmir Quarrel

Regarding "The Issues in Kashmir" (Letters, Nov. 23) from T. K. Das: Prior to the partition of India, the British, Hindu and Muslim leaders had agreed that contiguous Muslim majority areas would form part of Pakistan.

History and the Kennedys

Regarding "We Still Pay for the Errors of President Kennedy" (Opinion, Nov. 26): Thanks to Robert J. Samuelson for saying what many of us have felt for years about John F. Kennedy: At best, he was a mediocre president.

East Europeans at the Door, Betrayed

By Marc Ballon

PRAGUE — A new Iron Curtain has descended on the nations of Eastern Europe. Stamped across it are the words "Made in the USA."

consular officers must view every applicant as a probable immigrant until the applicant proves otherwise. A person is thus considered guilty until proven innocent.

Lucie Was Not 'What the U.S. Wants'

By Alan Levy

PRAGUE — Lucie is young, enthusiastic and speaks phenomenal English. Growing up under communism, she fell in love with the famous land her late compatriot Franz Kafka called America.

sounds like just the kind of person we want to discourage from going... And if she is so much as baby-sits, she is in violation of the law.

Amputating History

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Patten Acts on Elections, China Calls It 'Sabotage'

The Associated Press

HONG KONG — Governor Chris Patten sent a package of electoral reforms to the legislature on Wednesday, sparking an angry response from China and splitting Hong Kong's two biggest parties.

China reacted swiftly, accusing Britain of taking another serious step toward confrontation over the fate of its last major colony, three and a half years before it reverts to Chinese sovereignty.

A statement carried by the Xinhua press agency said Britain wanted to "deliberately create disorder." Analysts saw this as ominous language, given recent hints by China that it would retake Hong Kong ahead of the 1997 turnover if the colony was threatened by "chaos."

The statement accused Britain of "sabotage," and of "intending to unilaterally end the bilateral talks with China on democratic reform. But it stopped short of announcing an outright rupture."

As his proposals formally went before legislators, Mr. Patten struck a relaxed pose by feeding the birds at a Hong Kong aviary and saying he was still seeking further negotiations with Beijing.

But he suffered a setback earlier Wednesday when the Liberals, the largest party in the Legislative Council, the colony's parliament, appeared to waver. Having said earlier that they backed the reforms, the Liberals said they would first canvass opinion among their supporters.

This action by the Liberals, a pro-business party, reflects the concerns in financial circles that friction with China is bad for Hong Kong's economy. The Liberals were attacked by the United Democrats of Hong Kong, the leading pro-democracy party and the staunchest supporter of electoral reform.

"How can they change their standpoint on something as important as this?" asked Szeto Wah, a United Democratic legislator. "They are thinking only of their party."

But the Liberal Party chairman, Allen Lee, said, "I don't think the party itself can make a stand at the moment, if we want to hold the party together."

The Liberals' 15 seats, plus the United Democrats' 13 and Meeting Point's 4, had assured Mr. Patten a 32-seat majority in the 60-seat Legislative Council.

A retreat by the Liberals could revive China's hopes that the legislature will reject the reforms.

The specter now confronting Hong Kong is that China will retaliate by speeding up the establishment of its own shadow government to undermine British colonial authority in its twilight years.

China says it already has given up ground by agreeing to leave Hong Kong autonomous and capitalist for 50 years, and it refuses to accept a legislature elected under rules with which it does not agree.

It sees the reforms as a British scheme to maintain a foothold in Hong Kong. Such a scheme "will go up in smoke" in 1997, the Beijing-controlled Hong Kong newspaper Wen Wei Po said Wednesday.

Michael Sze, secretary for constitutional affairs in the colonial government, introduced the electoral reform bill in the legislature, calling it "part of our efforts to establish an open and fair electoral system."

The bill abolishes appointed seats on municipal councils, lowers the voting age from 21 to 18, and — most controversial to China — creates one-vote, one-member constituencies for elected legislative seats.

As a sweetener to Beijing, it allows Hong Kong residents who belong to Chinese political congresses to run in the 1994 and 1995 municipal and legislative elections, the last before the handover.



Chris Patten during a visit to a Hong Kong aviary on Wednesday.

Donors Tie Aid to Democracy Strained Economies in West Reorient Criteria

By Carl Gewirtz

International Herald Tribune

PARIS — With the end of the Cold War crippling the ability of Third World dictators to play West against East, the major aid-giving industrialized nations agreed here this week to put respect for democratic principles high on their agenda in extending new aid.

The impetus behind this new orientation is the recognition that strained economic conditions throughout the industrialized world are reducing taxpayer support and that such programs need to be seen producing results.

Achieving better results "is necessary for the recipients of our aid, but can also help to achieve a virtuous circle of stronger public support leading to larger aid budgets, or at least countering pressures to reduce them," Tim Lankester, head of Britain's Overseas Development Administration, told a two-day meeting of aid officials that ended here Tuesday.

The new guidelines, which are not binding, are officially described as "principles and approaches"

and "areas for action" in providing official development assistance. This covers official grants and concessional loans, which this year are estimated to have totaled about \$64 billion.

The aims were spelled out in a paper entitled "Orientations on Participatory Development and Good Governance."

It states: "There is a vital connection between open, democratic and accountable systems of government and respect for human rights, and the ability to achieve sustained economic and social development."

Acknowledging that these links are neither simple nor uniform, the Development Assistance Committee of the Organisation for Economic Co-operation and Development said that "sustainable development requires a positive interaction between economic and political progress."

"This connection is so fundamental," it said, "that participatory development and good governance must be central concerns in the allocation and design of development assistance."

South Asian Voting Season Passes in Comparative Calm

By Molly Moore

Washington Post Service

NEW DELHI — The recently concluded election season in South Asia was momentous for what did not occur: no military takeovers, no major riots and only a handful of campaign-related shootings and ballot-box lootings.

Contrary to the predictions of politicians and pundits, Hindu religious fanatics did not seize control of India, and Muslim extremists did not rise to power in Pakistan. Voters refused to be swayed by either religious passions or political shenanigans.

While local newspaper columnists and political observers deplored the campaigns as among the dulllest ever on the subcontinent, the elections of 1993 signaled a turning point in the maturation of these two struggling democracies.

"It is a tribute to the Indian political system that the voter, when all is said and done, is far more perspicacious, clear-headed and definitive in his judgment than the politicians who hanker after his vote," wrote Aaron Purie, editor of India Today, a news magazine.

For once, the democratic process was allowed to work. International election observers declared Pakistan's state and national elections the most free and fair in recent history. Voters in some of India's most politically important states rejected the appeals of Hindu fundamentalists to overrule secular government.

Nowhere are voters more jaded than in South Asia, where political

corruption is the norm and election upheaval is routine.

In a recent survey asking voters to rank the professions according to their usefulness to society, Indians rated politicians just a notch above prostitutes.

To understand the voters' angst, one need only look at a few highlights from the election season:

In Pakistan, rival political leaders placed members of the Punjab state assembly under house arrest for several weeks in the Islamabad Marriott Hotel, where they left thousands of dollars in unpaid bills and became the laughingstock of the nation.

In India, officials in one state prohibited candidates from carrying weapons, in an effort to curtail the usual election-day violence; a candidate in a district race ordered his campaign workers to buy up all the available white banner cloth to prevent his opponent from posting campaign signs, and the country's chief election commissioner threatened to cancel all elections in mid-campaign.

In both countries, religious extremists tried to rile the masses with emotional appeals to their loyalties to Allah or Lord Ram.

One year ago, after radical Hindu nationalists demolished India's most sacred mosque in the northern town of Ayodhya, touching off riots that killed more than 2,000 people, many political leaders and journalists predicted the collapse of India as a modern secular state.

The Bharatiya Janata Party, the rightist Hindu nationalist opposition group whose rhetoric and par-

ty militants spurred the demolition of the mosque, had hoped its platform would propel it to greater national power.

Instead, the voters — mostly poor, lower caste and far more interested in day-to-day pocketbook issues than religious oratory — rejected the party, defeating its candidates in three of the four states it held at the time the mosque was destroyed.

In the fourth state, the party is struggling to pull together a weak minority. Its only strong win came in the newly created state assembly for the national capital, New Delhi, where it capitalized on support among urban voters.

But Indian voters were not enamored of the party now in power, Prime Minister P. V. Narasimha Rao's Congress (I) Party, usually the spokesman of the poor, rural and lower castes. Congress itself is in disarray, with Mr. Rao entangled in allegations he accepted a suitcase full of money as a bribe from one of India's most infamous businessmen.

In India's most populous state — Uttar Pradesh, with a population equal to more than half of the United States — voters ushered a local socialist-leaning party into power, rejecting both major national parties.

In Pakistan, the military has ruled under martial law for more than half of the country's history as an independent nation. But the military was credited with ensuring this year's free elections, which led to the return of Benazir Bhutto as prime minister.

Hosokawa Wins Crucial Extension on Reform Bill

Reuters

TOKYO — Prime Minister Morihiro Hosokawa won valuable breathing space when his ruling coalition forced through a 45-day extension of parliament on Wednesday to keep alive hopes for enacting crucial political reforms.

Takako Doi, the speaker of the lower house, announced that the motion passed the chamber less than an hour before a midnight deadline.

Parliament also approved a 700 billion yen (\$6.5 billion) supplementary budget to help finance anti-recession measures that were announced in September.

Mr. Hosokawa, beset by the issues of rice, recession and political

reforms, wanted the extra days so that he could push through his changes, which have been stalled for about a month.

When he came to power in August, Mr. Hosokawa promised to enact the reforms by the end of the year or take political responsibility, meaning that he would resign or call a special election.

The opposition Liberal Democratic Party and the Communists opposed the extension, arguing that Hosokawa should instead draft next year's budget by the end of the month to allay fears that there was nothing under way to stimulate the economy.

The Liberal Democrats, except for a handful of rebels, boycotted

the session where the extension vote took place. That meant Mr. Hosokawa would face a prolonged Liberal Democratic boycott of debate on the reforms package starting Thursday.

The passage of the supplementary budget was likely to step up pressure on Mr. Hosokawa to announce more measures to stimulate the recession-plagued Japanese economy.

The fiscal measure was needed to balance the government's overall budget for the 1993-94 year ending in March, which would now be increased to 75.25 trillion yen (\$690 billion).

Parliament will recess over the New Year, and a 45-day extension

until Jan. 29 would mean that business will be conducted for only about 30 days.

During the extension, Mr. Hosokawa must also take steps to placate farmers angry about Tuesday's decision to allow limited rice imports, which he described as necessary to save the Uruguay Round of global trade talks.

Without an extension or steps to carry the reform measures over to the next sitting, the bills, which have top priority in Mr. Hosokawa's anti-corruption government, would have died.

The last two Liberal Democratic governments resigned because they failed to act on the measures and

stem rampant political corruption. Mr. Hosokawa's fragile coalition has struggled for three months to enact its reforms against stiff opposition from a Liberal Democratic Party bent on avenging its July 1993 election defeat.

Since that time the recession has worsened, with each new economic indicator charting a steeper decline. Finally, the slumping economy began hurting Mr. Hosokawa's popularity after a three-month public-opinion honeymoon.

A poll by the daily Tokyo Shinbun on Wednesday showed that approval of government performance had fallen 12 percentage points since Oct. to 62 percent.

State of the ART.

The art of advanced civilisations that preceded modern, democratic Turkey isn't all in our museums - as is this ancient mosaic of Medusa. With Turkish Airlines the art of flying has always been advanced. Today we have one of the most modern fleets available. And that means whether you're flying direct from New York, London, Paris, Frankfurt, Zurich or Tokyo, your trip will be totally relaxed. Especially with our warm Turkish hospitality, which, unlike Medusa, will never leave you stone cold.

TURKISH AIRLINES
NEW HORIZONS IN COMFORT

Bombs Could Fall, Koreans in Japan Warned

Agence France-Press

TOKYO — A huge flow of cash and high technology to North Korea from Kim Il Sung's loyalists in Japan could result in nuclear bombs falling on them in a regional conflict, a Japanese analyst warned.

The analyst, Kazumi Sato, also predicted that the United States effort to seek a negotiated solution to the nuclear question would only help Pyongyang buy time to perfect nuclear bombs, reducing their size and weight for delivery by missiles.

"The U.S. Defense Department said it might take two years," said Mr. Sato, director of the Modern Korea Institute in Tokyo. "But Japanese experts believed size and weight reductions would be possible within six months to one year if Russian experts are scooped."

He said that United Nations economic sanctions against North Korea over its refusal to allow inspections would be effective only if Japan cuts the Tokyo-Pyongyang connection.

He has estimated in the past that pro-Pyongyang ethnic Koreans in Japan send some 60 billion yen (\$570 million) a year to the hard-line Communist state, helping its economic survival and its suspected nuclear program.

The figure has led some American officials and members of Congress to put pressure on Japan to tighten allegedly loose customs and foreign exchange controls on Korean residents in Japan.

YEAR-END U.S. STOCK MARKET ROUND-UP

On January 10, 1994, the IHT will carry an 8-page editorial feature that sums up the past year's activities in the U.S. stock markets.

Among the topics to be covered are:

- The Dow and other stock market measures surging to new records
- U.S. investment
- A new brigade of foreign companies on U.S. exchanges
- Privatization in Europe
- U.S. mutual funds go international

For information about advertising in this editorial feature, please contact Juanita Caspart in Paris at (01) 44 76 37 93 76.

Herald Tribune

THE GATT ACCORD / REALIGNING BARRIERS

A Pivotal Trade Event: The Outlines of the Global Mall

By Roger Cohen, New York Times Service

GENEVA, Switzerland — For all its murkiness, the trade agreement struck here has traced important contours of the post-Cold War era. The negotiations that began seven years ago in moderate obscurity have ended as a pivotal event, engaging heads of state in discussions about the future of the world's economy...

Most significant, the world's, and particularly America's, booming trade in movies, music and other entertainment became a subject not for agreement but for unresolved and vitriolic conflict between the United States and Europe.

NEWS ANALYSIS

The target was Hollywood, portrayed as a marauder as mindless as the dinosaurs of "Jurassic Park," intent on devouring the vestiges of European culture.

Did the world, by endorsing the free-trade principles of GATT, really want to demolish national identities in favor of a blanket U.S.-dominated culture?

But it has become clear that GATT does raise the delicate political question of how far national traditions and policies are prepared to cede to the economic globalization symbolized by universal baseball caps and universal screen dinosaurs.

France's Trump: U.S. Wanted Pact

To Win Its Demands, Paris Also Nurtured EC Solidarity

By Tom Buerkle, International Herald Tribune

BRUSSELS — Only three months ago, European Community officials seemed backed into a desperate corner by Wednesday's deadline for a global trade agreement, fearing that they faced both a deep rift between France and its EC partners and punishing trade retaliation by the United States.

lity we've proved our ability to solve even the most difficult problems unanimously," said Foreign Minister Willy Claes of Belgium, which holds the EC presidency.

Divining GATT's Bottom Line Free Trade = Prosperity (or Vice Versa?)

By Peter Passell, New York Times Service

Free trade means growth, free trade means growth, free trade means growth. Just say it 50 more times and all doubts will melt away.

free trade would add about 1 percent to the average American's income.

NEWS ANALYSIS

conviction that open trade drives global prosperity rests more on observation than on well-developed theory.

Or compare the economies of Asia that stumbled into the 1960s in more or less wretched condition.



President Bill Clinton as he prepared Wednesday to hail passage of the GATT agreement at a White House press conference.

CLINTON: Congress Needs 18 Months Before Accord Can Be Ratified

Continued from Page 1

elections, they said that it would almost certainly take until June or July 1995 to be completed and voted upon.

At his press conference, Mr. Clinton said he was notifying Congress of his intention to sign the accord.

He began by acknowledging that it "did not accomplish everything we wanted."

By sparking global growth, it is estimated that this agreement can add as much as \$100 billion to \$200 billion per year to our economy once it is fully phased in.

Wilson, they say, could type faster than his secretary. But it made sense to leave the White House correspondence to others so he could concentrate on making the world safe for democracy and other higher-productivity endeavors.

What's more, openness to imports generally pays greater dividends than access to faster computers and tougher plastics. It also offers the chance to "learn by looking," suggests Edwards — "to be exposed to foreign ideas on a massive basis."

Senator Daniel Patrick Moynihan, the New York Democrat who chairs the Senate Finance Committee responsible for reviewing the

ists and Communists, along with a few rural conservatives, voted against the government.

in addition, Mr. Balladur said his insistence in a telephone call last Sunday with President Clinton that France could never accept a threat to its cultural identity led to the decision by U.S. and EC negotiators to exclude the audiovisual sector from the treaty.

forced to bear much of the sacrifice for EC agricultural policies. But because of the absence of a strong consumer movement in Europe, political fallout from higher food prices is expected to be minimal.

The Losers Assess Consequences Developing Nations Fear More Competition

By Barry James, International Herald Tribune

PARIS — Not everyone came away happy with the Uruguay Round on Wednesday.

Analysts said the multinational companies, which account for about two-thirds of the world's cross-frontier trade, would be the most obvious winners from the deal.

Having steered France past the shoals of a major crisis with the United States and a potential rupture with its European partners, Mr. Balladur gave enthusiastic backing to a new world trade treaty that he once feared would trap his government between social rebellion at home and isolation abroad.

At the same time, he said his government was saddled with the deepest recession in Western Europe since World War II and could not afford to alienate partners who desperately yearned for the sign of economic hope and confidence that a trade accord could produce.

According to Interfax's figures, the Communists would hold 64 seats and their potential allies, the Agrarian Party, 25. Women of Russia, who were expected to be on the conservative side, were expected to take 24 seats and the centrist Democratic Party 19, with the rest divided among smaller groups and independents.

Some politicians further argued that whatever Mr. Zhirinovskiy may stand for, the vote for him did not reflect a swelling of fascism in Russia, but protest against genuine misery and a reaction to the bickering and disunity of reform forces during the campaign.

Jakarta General Issues A Warning to Students

The Associated Press

JAKARTA — The Jakarta military commander has warned that demonstrations, especially against the president, can no longer be tolerated.

Both India and Pakistan complained that the United States did not sufficiently reduce high tariffs on imports of clothing and textiles.

GATT: Deal Promises 'More Trade, Jobs and Growth'

Continued from Page 1

because of an unresolved quarrel between the European Community and the United States over market access.

Washington and Brussels threatened to delay dismantling textile quotas unless they were given better access to the developing countries' textile markets, officials said.

France, which had been one of the harshest critics of the Americans on several issues, said its objections had been met and pledged to recommend approval of the accord by its National Assembly.

TO OUR READERS IN POLAND

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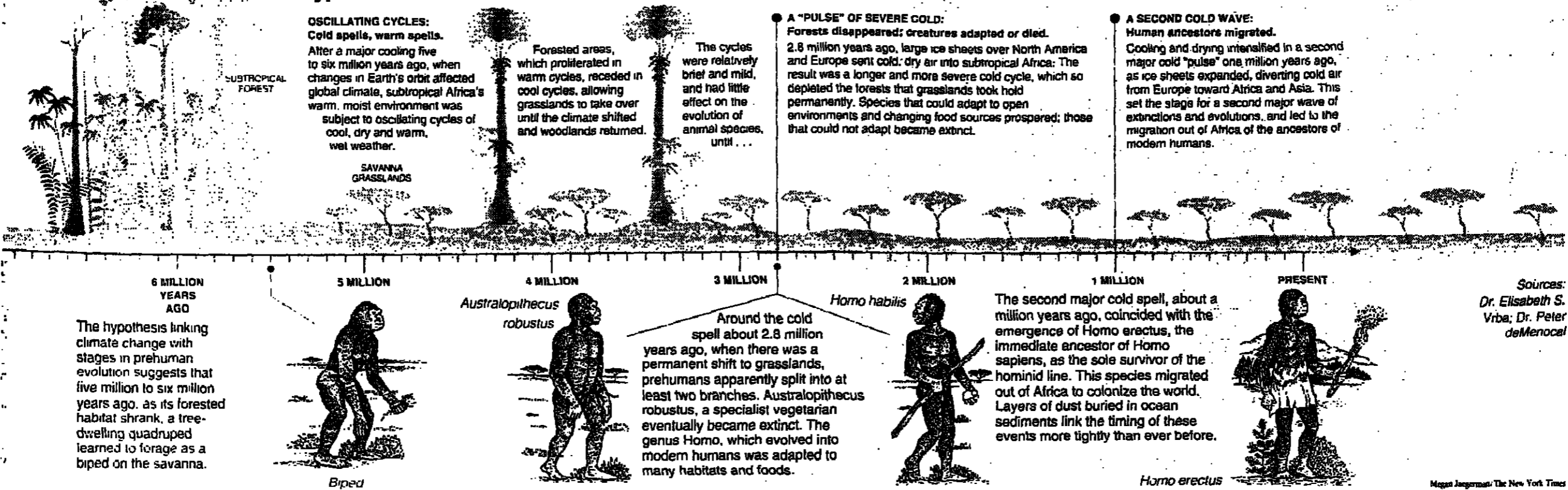
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HEALTH / SCIENCE

A Hypothesis of Climate and Evolution



From the Sea, Links Between Climate and Human Evolution

By William K. Stevens
New York Times Service

NEW YORK — From the sea floors around Africa, scientists have found intriguing evidence about forces that may have shaped the evolution of humankind.

Cores drilled out of the sea bottom contain layers of dust blown off the surface soils of Africa. Analyzing these layers of dust back to five million years ago, a critical period in hominid evolution, paleoclimatologists have constructed a picture of changes in climate and vegetation, matching them to major developments in the evolution of humanity's ancestors as shown by the fossil record.

They find that a major cold, dry spell 2.8 million years ago forced woodlands in sub-Saharan Africa to yield to grasslands. Animal species, including pre-humans, would have had to undergo major adaptations to accommodate to this shift in their environment. It is known

that around this time, the ancient pre-human line apparently split into at least two branches. One was the genus Homo, which led in time to modern humans. The other was a kind of ape-human, known as Australopithecus robustus, whose line ultimately became extinct. A second dry, cool period occurring about a million years ago coincided roughly with the emergence of Homo erectus, the immediate ancestor of Homo sapiens, as the sole representative of the hominid line and its expansion out of Africa to the rest of the world.

The relationship between climate and evolutionary change has been suggested before, but the new study gives much more detailed evidence of vegetational changes in Africa. It ties these changes to a series of ice ages in the Northern Hemisphere, and also provides an invaluable new series of time markers in the form of layers of volcanic ash buried in the ocean sediments. Since the same ash is found on land associated with several fossil finds, the dating of climate change and human evolution can be linked far more tightly than ever before.

"We can now place some of the fossils within a specific wiggle in the climate record plus or minus 10,000 or 20,000 years, which is very fine resolution," said Dr. Peter deMenocal, a paleoclimatologist at Columbia University's Lamont-Doherty Earth Observatory, who reported the findings at a meeting of the American Geophysical Association in San Francisco.

The match-up has already been made for the period from 3.5 million to 4 million years ago, but has not yet been applied to the critical later periods when the human family tree branched. That, said Dr. deMenocal, is the next step.

Through such means, a picture of great ecological sweep and drama is slowly coming into clearer focus.

According to the climatic hypothesis of human emergence, whose chief proponent is Dr. Elisabeth S. Vrba, a paleontologist and evolutionist at Yale University, climate affected the human emergence in this way:

Near the end of the Miocene epoch, from five million to six million years ago, a cooling and

drying of the global climate caused African grasslands to expand and rain forests to contract. At least one species of tree-dwelling ape left its shrinking forested habitat and learned to forage afar on the savanna, a grassland dotted with stands of trees. In the interest of efficiency, the creature began to move around on two legs and eventually evolved into the first hominid, or human-like creature, called Australopithecus.

Between the late Miocene cooling and about three million years ago, the climate in most of tropical Africa fluctuated from mildly warm-moist and mildly cool-dry states.

Savanna woodlands proliferated in warm-moist times, but shrank and became fragmented when the climate changed, the theory holds. Some local populations of Australopithecines became isolated within the fragments and some lived on the surrounding grasslands. If they had remained separated long enough, they might have evolved in different directions, but they came into contact again after the climate shifted and the woodlands re-expanded.

Whether for that or other reasons, two separate lines of hominids emerged during the major cooling and drying that set in about 2.8 million years ago. At the same time, many woodland species found themselves permanently deprived of suitable habitat by a great expansion of grasslands.

POPULATIONS of plant and animal species shrank, and many species became extinct. Competition for food intensified the pressure. Individuals that squeaked through and adapted to the new habitats became the nuclei of new species, which eventually radiated outward through the transformed environment.

Within a few thousand years after the cooling, at least one group of hominids to emerge from this evolutionary "pulse" had evolved a mainly vegetarian existence in sparser patches of savanna vegetation along rivers. This group probably grubbed for coarse, hard seeds and tubers in the driest seasons when food was

scarce. Paleontologists call these creatures robust australopithecines.

Members of a second, more lissome and adventurous group roamed far and wide, making themselves at home in many types of habitats and exploiting many kinds of foods, in time including meat. Meat improved nutrition, since it was available year-round.

Some evolutionists believe that the need to master a wider range of resources would have put evolutionary pressure on this group of hominids to become more intelligent, thereby promoting the development of more powerful brains. Paleontologists have labeled these creatures the genus Homo.

The robust line may have lost out in competition with Homo, but Dr. Vrba believes it is more likely that the intensified cooling and drying about a million years ago caused the robust line's extinction. In any case, by about one million years ago, Homo erectus, the immediate progenitor of Neanderthals and modern humans, was poised to move out of Africa, colonize the world and evolve into Homo sapiens.

Repairing the Fermat Proof

By Gina Kolata
New York Times Service

NEW YORK — The widely heralded proof of Fermat's last theorem, one of the most enduring and difficult problems in mathematics, has hit a snag in the review process before publication, the proof's discoverer said this week. But he said he did not believe it was a fatal flaw.

Mathematicians around the world were stunned when Dr. Andrew Wiles of Princeton University announced in June that he had a proof of Fermat's last theorem.

The theorem was stated 356 years ago by a French mathematician and physicist, Pierre de Fermat, who scrawled it in the margin of a book, adding that he had a marvelous proof but that the margin was too small to hold it. The theorem was tantalizingly simple, a statement about what sorts of solutions were possible for certain elementary equations. But it thwarted even the best mathematical minds until Dr. Wiles came forward.

Dr. Wiles's proof that Fermat was correct drew on 40 years of mathematical research involving abstractions that seemed completely removed from the equations of Fermat's theorem. But because the logic and structure of the proof were so compelling, because Dr. Wiles had a reputation as a gifted and careful researcher, and because the groundwork for the proof lay in recent but well-accepted discoveries, mathematicians hailed the proof as almost certainly correct.

Dr. Wiles submitted his 200-page manuscript to the journal Inventiones Mathematicae, which is edited by Dr. Barry Mazur of Harvard University. Dr. Mazur sent the paper to six reviewers, who looked for places where further explanations were needed. As the reviewers found rough spots, Dr. Wiles smoothed them out, with one exception. That is a problem involving the calculation of a precise upper limit of a mathematical object called the Selmer group in the semistable case.

But in a statement released by Princeton, Dr. Wiles wrote, "I believe that I will be able to finish this in the near future."

Living With a Common Gene Abnormality

By Jane E. Brody
New York Times Service

NEW YORK — Now that prenatal diagnosis has become widespread, many pregnant women are being told that although their babies will not have Down's syndrome, they are carrying boys who have an extra X chromosome, the so-called female sex chromosome.

The condition, one of the most common genetic abnormalities known, is called Klinefelter syndrome. It is named after Dr. Harry Klinefelter, a Boston physician who 51 years ago published a report about nine men with enlarged breasts, sparse facial and body hair, small testes and an inability to produce sperm.

Fifteen years later, geneticists linked the syndrome to a mistake in the formation of the egg or sperm that results in boys' being born with an XXY pattern of sex chromosomes instead of the XY pattern found in normal males.

Genetic screening of 40,000 newborns conducted from 1964 to 1974 by Dr. Arthur Robinson, a pediatric geneticist at the University of Colorado Medical School in Denver, found that from 1 in 500 to 1 in 1,000 boys is born with the XXY pattern.

Unlike Down's syndrome, which becomes far more common among the children of older parents, the risk of XXY increases only slightly with parental age. No other risk factors are known.

"Prospective parents who race to the library to look up Klinefelter syndrome are often thrown into a panic," says a woman who asked to be identified only as Melissa A., of Roseville, California, to protect the privacy of her 13-year-old son with XXY. Many choose to have an abortion because they mistakenly think that their sons will be freaks.

Yet, as Melissa A. has found, the extra X chromosome does not turn boys into girls or even render them especially effeminate. It can, however, cause a variety of problems, ranging from reading and other learning disabilities and behavioral problems to breast enlargement and infertility. Many of these responses to therapy that enables the young to lead more productive lives. When prospective parents are given the full picture, Dr. Robinson said, two-thirds choose to continue the pregnancy.

When Melissa A.'s son was found to be XXY five years ago at the age of 8, after blood tests were done to see why he was suffering from severe learning and emotional problems, Melissa A. was hard put to find

anyone else who had a son with this condition.

The reports she gleaned from medical textbooks painted a grim picture of abnormal social misfits. In desperation, she sent a letter to Ann Landers, and after its publication she was flooded with more than 1,000 responses from parents of XXY sons and from XXY men from the United States, Canada and other countries.

A vast majority never even find out they have this extra chromosome unless they undergo tests for infertility, when their wives fail to get pregnant. The only symptoms found invariably in XXY men are small, underdeveloped testes and sparsity of sperm.

Dr. Robinson has been following scores of XXY boys identified at birth and he corroborates what Melissa A. has found. "They are perfectly normal-looking newborns," he said. "They are not part female; they look like boys and act like boys, and when they grow up they have sex and get married."

Still, many young boys with XXY have problems that can impair their academic and social development, problems like learning disabilities that can be overcome or compensated for if they receive appropriate therapy. The problems are not unique to XXY boys. As Dr. Robinson said: "Most of the symp-

oms associated with XXY can occur in perfectly normal XY males."

The important thing, he and other experts emphasize, is to recognize language difficulties and get them treated early, before speech and reading problems impair school performance and damage self-esteem.

MELISSA A.'s son was started on injections of testosterone at 11. "Now my son is doing fantastically. He's in a regular school, belongs to the Boy Scouts, and he'll grow up and go to college just like other intelligent boys." And while he will never be able to father children, many other men with normal chromosomes are also infertile, she said.

Those boys whose breasts become embarrassingly large during adolescence — a problem in about 10 percent of XXY boys — can undergo surgical breast reduction. But though no way has been found to stimulate testicular growth, the small testes do not interfere with a normal sex life. Testosterone therapy, which can be started at any time after the onset of puberty and must be continued indefinitely, enhances an XXY male's libido, self-confidence and energy level. The treatment also usually stops the sudden, angry mood shifts some XXY boys experience.

IN BRIEF

Cholesterol Linked To Fetus Growth
LONDON (Reuters) — British researchers believe that concentrations of cholesterol in the blood stream, strongly associated with heart disease, may be linked to babies' growth rates while they are still in the womb.

Writing in the British Medical Journal, the researchers studied 219 men and women born during 1929 and 1940 at a hospital in the northern English city of Sheffield and whose body size was recorded at birth. The researchers used at Cambridge University and a special unit at Nottingham General Hos-

pital, found that for every 1 inch (2.5 centimeters) increase in abdominal girth among newborn babies, reflecting the size of their liver, there was a reduction in cholesterol concentrations in middle age.

"Raised serum cholesterol concentrations in adult life are associated with impaired growth during late gestation, when fetal undernutrition has a disproportionate effect on liver growth," they said.

Dr. Kevin D. Pang, of the National Aeronautics and Space Administration's Jet Propulsion Laboratory in Pasadena, California, reported his findings at a scientific meeting.

The explosion affected the siege by the Ottoman Turks and the fall of Constantinople in the spring of 1453, Dr. Pang said. On May 25, it was impossible to stand up against the hail, and rain came down in such torrents that streets were flooded, according to historic accounts.

An Explosion Felt In Constantinople
NEW YORK (AP) — A giant volcanic explosion in the South Pa-

stand for election as president. He wins overwhelmingly, but his continued championing of the down-trodden threatens the island's power structure. When his denunciations of corruption lead to violence, both the Roman Catholic Church and Ganee's multi-ethnic elite withdraw support of Jeannot. The dead dictator's supporters arrange a coup, and Jeannot is given the choice of becoming a puppet or being disappeared.

Dramatic as this story may be, its familiarity would make it unworthy of retelling were it not for the deeper meanings that Moore succeeds in bringing to it. As in previous novels like "Cold Heaven," "Black Robe" and "Lies of Silence," among others, he makes of his plot a religious drama in which faith contends with disbelief.

The story is told as the first-person memoir of Father Paul Michel, a Canadian missionary to Ganee who discovers Jeannot as a

child when the teaching order he serves seeks to expand the number of black children, or Noirs, it prepares for college. Father Paul takes Jeannot under his wing, recognizes his remarkable genius, inspires him to become a priest and helps him in his projects to succor the poor.

But as Jeannot's commitment grows and he begins to be perceived by his followers as a Messiah, Father Paul's faith wavers increasingly. He wonders what sort of life he might have led had he not joined the church and even whether he might have found sexual fulfillment. "At a critical point in his disciple's rise to power, he is called home to Quebec to administer the last rites to his dying mother, who encouraged his vocation when he was a child. But now, with her dying words, she renounces her faith. "When we die, there is nothing," she says. "Please, Paul, you're 47 years old. It's not too late. Promise me. Leave the priesthood now."

WHAT THEY'RE READING

• Daniel H. Vergin, president of Cambridge Energy Research Associates, is reading "Lenny's Tomb: The Last Days of the Soviet Empire" by David Remnick.

"The collapse of communism caps the 20th century. Yet the 'why' remains much more obscure than the 'how.' Remnick not only masterfully tells the story but also captures the power of history itself." (Elizabeth Hopkins, IHT)

NO OTHER LIFE
By Brian Moore. 223 pages. \$21. Nan A. Talese/Doubleday.

Reviewed by Christopher Lehmann-Haupt

IN his latest novel, "No Other Life," the Canadian writer Brian Moore tells a story of such relevance to current political events that one can read it almost as background to yesterday's headlines. The story traces the rise to power of Jean-Paul Cantave, a charismatic figure of lowly origins who challenges the corrupt leadership of the Caribbean island of Ganee.

Jean-Paul, or Jeannot as he is known, begins his mercenary career as a priest dedicated to improving the lot of Ganee's poorest people. When the island's dictator dies of AIDS, Jeannot is persuaded to

stand for election as president. He wins overwhelmingly, but his continued championing of the down-trodden threatens the island's power structure. When his denunciations of corruption lead to violence, both the Roman Catholic Church and Ganee's multi-ethnic elite withdraw support of Jeannot. The dead dictator's supporters arrange a coup, and Jeannot is given the choice of becoming a puppet or being disappeared.

Dramatic as this story may be, its familiarity would make it unworthy of retelling were it not for the deeper meanings that Moore succeeds in bringing to it. As in previous novels like "Cold Heaven," "Black Robe" and "Lies of Silence," among others, he makes of his plot a religious drama in which faith contends with disbelief.

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child when the teaching order he serves seeks to expand the number of black children, or Noirs, it prepares for college. Father Paul takes Jeannot under his wing, recognizes his remarkable genius, inspires him to become a priest and helps him in his projects to succor the poor.

But as Jeannot's commitment grows and he begins to be perceived by his followers as a Messiah, Father Paul's faith wavers increasingly. He wonders what sort of life he might have led had he not joined the church and even whether he might have found sexual fulfillment. "At a critical point in his disciple's rise to power, he is called home to Quebec to administer the last rites to his dying mother, who encouraged his vocation when he was a child. But now, with her dying words, she renounces her faith. "When we die, there is nothing," she says. "Please, Paul, you're 47 years old. It's not too late. Promise me. Leave the priesthood now."

After a detour to Rome, where the Vatican instructs him to act as an intermediary between the church fathers and Jeannot, Father Paul returns to Ganee and watches closely as the gulf between Jeannot and his enemies widens. What increasingly tortures him is the central question that the novel now poses: Is the church right in condemning Jeannot's activism when, as he believes, the poor eventually will be rewarded in heaven, or is Jeannot right in promising a form of heaven on earth?

Like some of Moore's previous fiction, the narrative of "No Other Life" is flawed by a sense of inevitability in its pell-mell pace. Everything seems fated in advance. The story never lingers over details long enough to allow the characters to breathe on their own. In scene after scene, the author paints his people as near shadows: "Champagne in hand, the official party moved to the central courtyard where long tables were laden with every sort of food. I saw the elegant ladies of the elite glance back at General Macchete, then begin an alarmed, excited whispering. Their husbands remained silent, stiff-faced and shocked. The music and the archbishop engaged in anxious parley as they moved towards the food."

Likewise faintly bothersome is the extent of Jeannot's childlike simplicity. One finds it difficult to

understand why he expects words like the following to be understood only as symbolism: "The poor cannot be free. Unless they are rid of those who exploit them. You know who I am talking about. I do not have to spell it out again. But what I have to say now, I have not said before. Justice is a sword. It has been put into the hands of my people. My people are the poor. The sword of the poor is used to cut down a case. It is a humble sword. Macchete. A rough tool, made of iron. I say to you now. The humble sword awaits us." It is really, so surprising that his listeners take his words literally?

Yet you can also argue that the narrative's sense of inevitability is appropriate to the otherworldly issues the story deals with. And Jeannot's unwavering naivete fits the novel's brilliant resolution. At the end, he accepts his enemies' offer of his survival in exchange for cooperation. But only if he can conduct a prayer meeting with his people. An enormous crowd gathers, one of the biggest Ganee has ever seen. Then Jeannot performs an act that perfectly resolves the novel's questions. And not only this novel's, but several of those that Moore has long been wrestling with in his increasingly impressive body of fiction.

Christopher Lehmann-Haupt is on the staff of The New York Times.

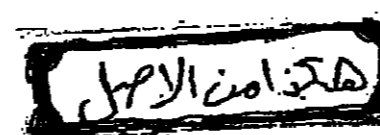
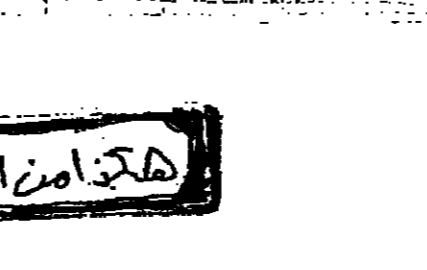
BRIDGE
By Alan Truscott

THE oldest established permanent floating bridge game in New York is played Monday nights and is in its 40th year. It is a cut-around team game, and in 1991 it floated from the defunct Cavendish Club to the Town Club at 9 East 86th Street.

The diagrammed deal was played there four months ago, and both South players reached four spades after East had opened three clubs. East won the first two tricks in that suit, and at one table Jack Sommelack shifted to a heart and settled the issue.

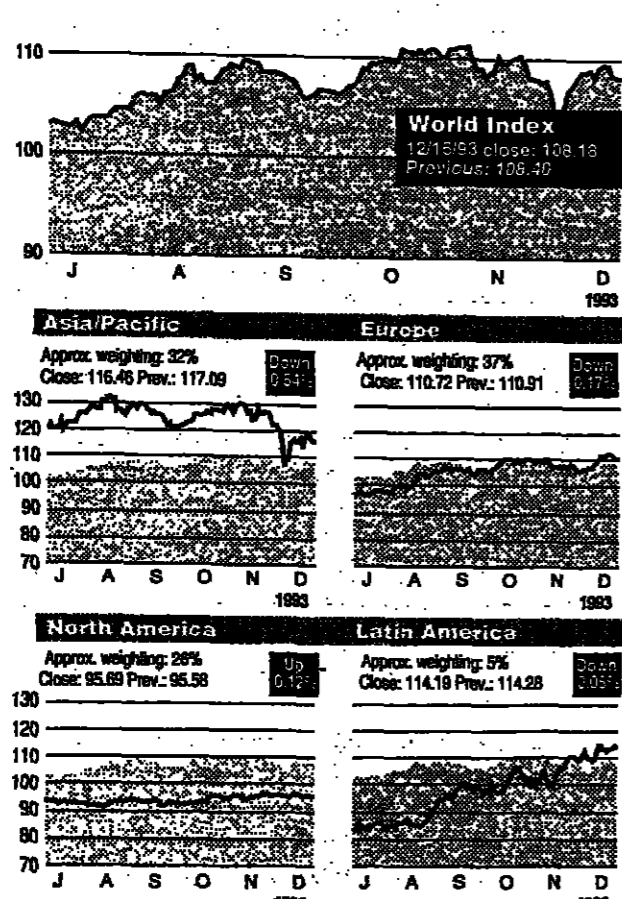
At the other, East thought it was safe to play a third round of clubs, since there was some chance of promoting a trump trick if West held the spade jack. Andrew Arkin as South now took full advantage of

his opportunity: He ruffed high and played four trump winners to reach this ending:





THE TRIB INDEX: 108.18
International Herald Tribune World Stock Index



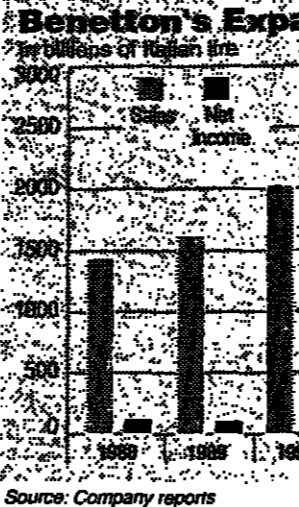
The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers.

Table with 3 columns: Industrial Sector, % change, and % change. Rows include Energy, Utilities, Finance, Services, Capital Goods, and Consumer Goods.

For Benetton, a High-Tech Spin
Clothes Maker Weaves Strategy Around New Plant

By Jacques Neher
CASTRETTE DI VILLORBA, Italy — From a distance, Benetton's new \$30 million production facility looks more like a suspension bridge than a factory.

countries of the Third World, he maintains they can still produce high-quality clothing at lower prices by employing better raw materials, innovative machinery and by designing greater flexibility and efficiency into the production and distribution process.



Daimler Claims Worst Is Over After Big Loss

By Ferdinand Proizman
Daimler-Benz AG said Wednesday it had turned the corner after posting the worst loss in its postwar history for the first nine months of the year.

Like other European industrial companies, Daimler has been hard hit by economic recession. But Germany's industrial flagship has also been hurt by weak performances at its electronic and aerospace divisions, which were acquired in the mid-1980s.

Kodak Dives as Chief Warns on Profit

By Tom Redburn
NEW YORK — The chief executive appointed to turn around struggling Eastman Kodak Co. deflated optimism about a quick recovery Wednesday in one of his first acts since taking the helm.

Motorola Inc. issued a statement cautioning that it did not see a quick turnaround. Mr. Fisher said he agreed with estimates that Kodak's 1993 earnings will be essentially level with last year's operating level.

INTERNATIONAL MANAGER
New York Can't Keep Biotech Industry

By Tom Redburn
NEW YORK — Innoviv Laboratories, a small company seeking cures for hepatitis, leukemia and other maladies, plans to leave New York City soon.

So what? Companies migrate from New York all the time. Why fret about one more, particularly since Innoviv's entire work force could fit comfortably in two elevator cars?

China Is Top Draw for Foreign Capital

By Carl Gewirtz
PARIS — A record amount of private capital — estimated at \$113 billion this year — is flowing into developing countries, and China is the leading recipient, data published Wednesday by the World Bank show.

share and new technology. Around 40 percent of the outflow is invested elsewhere in Asia by labor-intensive small and medium-sized companies seeking to escape rising production costs at home.

CURRENCY & INTEREST RATES

Table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Other Dollar Values, Forward Rates, Gold, and Miscellaneous. Includes exchange rates and interest rates for various currencies and instruments.

Alitalia Plans to Slash 1,000 Jobs, Freeze Pay

The Associated Press
MILAN — Italy's struggling state-run airline Alitalia announced plans Wednesday to cut about 1,000 jobs and freeze salaries as part of efforts to reduce costs and debt.

ALG AEROLEASING
#1 THE FIRST INDEPENDENT RUSSIAN STATES LICENSED AIR CHARTER CO.
CHARTER • SALES • MANAGEMENT

CORUM
Maitres Artisans d'Horlogerie
The Admiral's Cup — simply one of the most distinctive and elegant sports watches in the world.

MARKET DIARY

Plunge by Kodak Pulls Market Lower

NEW YORK — Stock prices fell Wednesday for the second day in a row as a plunge in Eastman Kodak shares pulled the market's blue-chip issues down.

The Dow Jones industrial average lost 25.71 points, to end at 3,716.92, following a 21.80-point loss on Tuesday.

Kodak disappointed investors with a warning that the photographic products and chemicals company's profit will be flat this year and next, sending its stock down 7 1/2 to 5 1/2.

It rose more than offset any positive effects of the successful conclusion of world trade talks under the General Agreement on Tariffs and Trade.

Volume on the New York Stock Exchange was heavy at more than 300 million shares, as the approach of Friday's so-called triple-whisker session — the quarterly expiration of stock-index futures, stock-index options and options on individual stocks — stirred up the usually slow December market.

As the economy shows signs of improving, investors became worried that inflation might become an issue again and that the Federal Reserve Board may tighten credit.

On the American Stock Exchange, Xytrons rose 1 1/2 to 9 1/4 in active trading after a broadcast report of an analyst's positive views on the company, which researches and develops biotechnology products.

Stock investors dislike rising interest rates because they make shares less attractive and increase corporations' borrowing costs.

The Nasdaq index rose 1.55, to 753.02, ending several days of declines. That advance came despite steep losses by two issues — TJ International, which dropped 4 to 2 1/2, and InaCom, which fell 3 1/2 to 13 1/4.

TJ dropped after First Boston lowered its 1994 earnings estimate for the company to 90 cents a share from \$1.15. InaCom dropped after the company said its fourth-quarter earnings would be below market forecasts.

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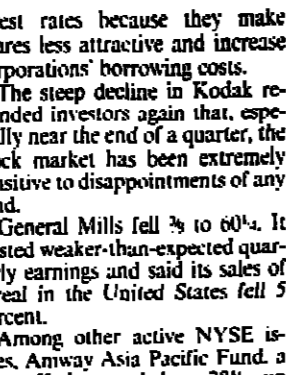
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The Dow



Daily closings of the Dow Jones Industrial average

Table with columns: Index, High, Low, Close, Change. Includes Dow Jones Industrial Average, Standard & Poor's 500, NYSE Composite, etc.

Table with columns: Index, High, Low, Close, Change. Includes NYSE Most Active, AMEX Most Active, Dow Jones Bond Averages, etc.

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Table with columns: Index, High, Low, Close, Change. Includes Foreign Exchange, etc.

Table with columns: Index, High, Low, Close, Change. Includes Ferruzzi Group Offers Shares, etc.

Table with columns: Index, High, Low, Close, Change. Includes World Stock Markets, etc.

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Dow Jones Averages

Table with columns: Index, High, Low, Close, Change. Includes Dow Jones Industrial Average, Standard & Poor's 500, NYSE Composite, etc.

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EUROPEAN FUTURES

Table with columns: Index, High, Low, Close, Change. Includes COCOA (LCC), SUGAR (LCC), etc.

Table with columns: Index, High, Low, Close, Change. Includes METALS, etc.

Table with columns: Index, High, Low, Close, Change. Includes STOCK INDEXES, etc.

Table with columns: Index, High, Low, Close, Change. Includes SPOT COMMODITIES, etc.

Table with columns: Index, High, Low, Close, Change. Includes DIVIDENDS, etc.

Table with columns: Index, High, Low, Close, Change. Includes U.S. FUTURES, etc.

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November Industrial Output Rises

WASHINGTON (AP) — Output at U.S. factories, mines and utilities rose 0.9 percent in November, the sixth straight gain and the largest in a year, the government said, adding to recent evidence that the economy was improving.

In a second report, the Commerce Department said business inventories were unchanged in October, the first time in three months they failed to increase. Sales, on the other hand, rose 0.4 percent, the sixth advance in seven months.

The combination resulted in an inventory-to-sales ratio of 1.45 in October, down from 1.46 a month earlier. The ratio means it would take 1.45 months to deplete stockpiles at the October sales pace.

RJR Consolidating Nabisco Globally

NEW YORK (Bloomberg) — RJR Nabisco Holdings Corp. said it would fold its Nabisco International unit into Nabisco Foods Group in a move that will consolidate its worldwide food businesses.

The food and tobacco conglomerate said it felt the combination would allow it to more effectively manage and expand its food operations on a global basis.

CompUSA's Chairman Morton Quits

DALLAS (AP) — Nathan Morton, chairman and chief executive officer, has resigned from CompUSA Inc., the largest American computer superstore retailer, the company said Wednesday.

CompUSA said its directors named President James Halpin chief executive officer after accepting Mr. Morton's resignation. Giles Batesman was named board chairman.

Corning Plans Mexico Joint Venture

NEW YORK (Combined Dispatches) — Corning Inc. said Wednesday it would expand its optical-fiber business with an acquisition and end a joint venture with a Mexican company in the consumer glass business.

The company also said it planned to sell 6.7 million shares of common stock to help finance the transactions.

Corning said it and Stecor, its joint venture with Siemens AG, would pay \$130 million to acquire the optical fiber and optical cable assets of Northern Telecom Ltd.

The company also said it would pay Vitro S.A. of Mexico \$131 million to dissolve two joint ventures — Corning Vitro Corp. in the United States and Vitro Corning S.A. de C.V. in Mexico — established two years ago to make and sell consumer glass products.

QVC Objects to Paramount Networks

WEST CHESTER, Pennsylvania (Bloomberg) — QVC Network Inc.'s attorneys said they have "very serious problems" with Paramount Communications Inc.'s procedures to sue off the entertainment and publishing company. In a letter to Lazard Freres & Co., Paramount's investment advisor, Martin Lipton, QVC's outside legal counsel, cited certain powers that Paramount's board would keep in the procedures that make the board's fairness questionable.

MCI to Take Consolidation Charge

WASHINGTON (Bloomberg) — MCI Communications Corp. said it would take a fourth-quarter charge of up to \$150 million primarily to reflect costs associated with its realignment. The charge will also reflect consolidation costs related to MCI's acquisition of British Telecom North America, a unit of British Telecom Plc, the company said.

For the Record

Zenith Electronics Corp. said it planned to restructure certain product areas and re-engineer its consumer electronics and cable business, resulting in a fourth-quarter charge of up to \$30 million.

British Airways asked a U.S. court to dismiss a \$325 million U.S. antitrust suit filed against it by Richard Branson's Virgin Atlantic Airways, a Virgin spokesman said on Wednesday.

Ferruzzi Group Offers Shares

MILAN — Ferruzzi Finanziaria SpA and Montedison SpA will begin share issues to raise up to 5.6 trillion lire (\$3.3 billion) on Dec. 21, according to advertisements to appear in the Italian press on Thursday.

The issues had been approved at a shareholders' meetings last month but the companies had to clear various legal obstacles before the sales could start. Creditor banks are expected to take up many of the shares on offer, giving them a stake in the restructured group.

The Ferruzzi companies, an agricultural, industrial and chemicals conglomerate, are struggling to overcome massive debts incurred in part to fund acquisitions.

WORLD STOCK MARKETS

Large table with multiple columns listing stock market data for various countries including Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Stockholm, Zurich, Tokyo, etc.

U.S. FUTURES

Table with columns: Index, High, Low, Close, Change. Includes WHEAT (CROT), SOYBEAN (CROT), etc.

Metals

Table with columns: Index, High, Low, Close, Change. Includes ALUMINUM (LCC), COPPER (LCC), etc.

Livestock

Table with columns: Index, High, Low, Close, Change. Includes CATTLE (CMBR), PIGS (CMBR), etc.

Financial

Table with columns: Index, High, Low, Close, Change. Includes U.S. TREASURY (COTR), etc.

Stock Indexes

Commodity Indexes

SEAT Staff Cuts Get Conditional Catalan Approval

Madrid — The Catalan regional government gave Volkswagen AG approval on Wednesday for a string of staff reductions at its SEAT subsidiary in exchange for a promised investment of 120 billion pesetas (\$856.9 million).

The regional government gave Sociedad Española de Automóviles de Turismo SA, permission to lay off 4,616 workers over the next three years and give early retirement to 2,900 as part of the company's plan to shed 9,000 jobs from a work force of 13,500 at its Zona Franca factory.

Inflation Slides in Britain

London — Britain's core inflation rate fell in November to its lowest level on record, boosting expectations that bank base lending rates would be cut from the current 5.5 percent early next year.

The annual inflation rate excluding mortgage-interest payments, the government's favored measure of inflation, fell to 2.5 percent from 2.8 percent in October, the Central Statistical Office said. That was the lowest rate since calculations on this basis began in 1975.

"The inflation figures were better than expected because there were falls in prices across the board and not just in food prices," said Sally Wilkinson, an economist at Morgan Grenfell & Co.

Retail prices in November dropped 0.1 point, leaving the year-on-year growth rate unchanged at 1.4 percent, a 26-year low. Analysts had forecast a rise in the retail price index of 0.2 point last month, which would have lifted the year-on-year inflation rate to 1.6 percent from 1.4 percent.

VW Feud Puts Skoda in Danger

German Investment Cutbacks Impact Automaker

Bloomberg Business News

MLADA BOLESNAV, Czech Republic — Along the conveyor, shining Skoda cars keep moving, interrupting their march to allow red robot arms, spraying sparks from their bifurcated fingers, to weld tiny parts to their frames.

Nine hundred vehicles a day roll off the line, window stickers like passports: Turkey, Britain, Israel, China, Russia, Poland and every corner of the Czech and Slovak republics.

"They like blue cars in Turkey, and the U.K. likes white," said Jaroslav Cerny, a company spokesman. "Czechs like red, and so do Russians."

Nothing, it seems, can stop Eastern Europe's most successful automobile factory — not even Volkswagen AG's cancellation in September of a 1.4 billion Deutsche mark (\$825 million) financing package for the Czech plant, nor Volkswagen's decision last month to cut its promised total investment of 8.2 billion DM by more than half.

The Czech government, which still holds most of Skoda's shares, is not happy.

The industry and trade minister, Vladimir Dlouhy, in fact, suggested VW has violated the spirit, if not the letter, of the 1991 purchase agreement that ultimately would give the German automaker 70 percent of Skoda.

He said he would demand an amendment to that agreement on Friday, when he meets with the VW chairman, Ferdinand Piech, in Germany, that will require VW to fulfill its original promise to double production, introduce a new model and build an engine factory.

VW says it will do the first two, but not the third.

In Mlada Boleslav, an ancient industrial town northeast of Prague, Volkhard Kohler, the Skoda vice chairman and chief financial

officer installed by VW, thinks the Czech government's gripes sound like political posturing.

The company is emerging as a success for the Czech government and for Volkswagen, he points out. When the year's figures are tallied, Skoda should be VW's only profitable subsidiary, with an estimated 380 million koruna (\$9.4 million) profit, in the face of Volkswagen's 2.3 billion DM loss.

When the Czechs sold Skoda, it was losing nearly a billion koruna a year. So the govern-

Prague suggests VW has violated the spirit, if not the letter, of the 1991 agreement that ultimately will give the German automaker 70 percent of Skoda.

ment, Mr. Kohler said, should be happy.

"We are responsible for this company and we are working for the profit of Skoda, not Volkswagen," said Mr. Kohler. "Our aims and the aims of the Czech government are the same — for Skoda to be successful."

Underlying the government's discontent were its high expectations.

When VW agreed to acquire Skoda in April 1991 in what was hailed as the biggest foreign investment in the former Communist bloc, the German company promised to invest 8.2 billion DM, including 1.4 billion DM just for the share purchase. VW also vowed to introduce new models, double production, and build a plant that would produce 400,000

engines a year, half for Skoda's use and half going to other VW subsidiaries.

Now, as much because of Skoda's success as VW's troubles, Volkswagen executives said the German company's total investment in Skoda would be only 3.75 billion DM. VW also said the engine plant was no longer feasible, because the poor performance of its other subsidiaries has left it with excess engine production capacity in Germany.

The withdrawal has shot holes in the Czech Republic's plan to pay off a growing debt left over from the days when Skoda was fully owned by the state. When VW bought Skoda, the government agreed to remove that debt from the books and maintained responsibility for repayment.

The good name of Volkswagen, government officials believed, would help solve the debt problem. By selling its 30 percent stake in Skoda on foreign stock markets, including London, Frankfurt and others, the government believed it could clear most of the debt by the end of this year.

Now, VW's troubles would only depress Skoda's share price if a public offering were to be made. The sale would have a debt totaling more than 6 billion koruna.

For Czech government officials, the engine plant has become a particularly sore point. As an international supplier, it would have been the most tangible benefit to Skoda from its association with Volkswagen. The government believed it would create jobs and bring hard currency into the Czech Republic.

"The situation has changed and today there is no demand from Volkswagen for these engines," Mr. Kohler said. "There is overcapacity. If you have enough capacity, it doesn't make sense to build a new plant when you can use only 50 percent of its capacity."

Victory Smells Sweet for Champagne Industry

By Suzy Menkes
International Herald Tribune

PARIS — Champagne is losing its sparkle for Yves Saint Laurent — but not until the end of the year.

The perfume launched in September by the fashion and perfume house Yves Saint Laurent SA and named for France's famous bubbly has been banned from France as of Dec. 30, when all products, packaging and advertising using the Champagne name must be destroyed, an appeals court ruled Wednesday.

Siding with the producers of the sparkling wine, the court upheld an order barring Yves Saint Laurent from selling the perfume in France under the name Champagne.

Saint Laurent said in a statement that the fragrance would continue to be marketed in France, but without the name. It will continue to be sold as Champagne in many other areas, however.

But the verdict, which champagne producers hailed as a "great victory," allows Yves Saint Laurent to take advantage of most of the year-end holiday selling season and may prove a publicity coup.

The perfume bottle, which resembles a champagne bottle in shape, will still be sold in France but will be labeled only Yves Saint Laurent. The fragrance will keep its Champagne name elsewhere in Europe and in the Middle East, Yves

said Jean-Paul Leon SA, financial director of Elf-Sanofi SA, which bought the house of Saint Laurent six months ago.

"I am more or less content with this favorable judgment and the brilliant success of our campaign," said Jean Pinchon, president of the French group that regulates and protects wine designations, which sought to bar the perfume's sale.

"But we will continue to bring actions in each and every country where the Champagne perfume is introduced."

He said the fragrance had already been banned in Brazil and that a case would be brought in the United States.

A spokesman for Yves Saint Laurent said the judgment would have little effect on the sales of Champagne, which have been reported as 200 million French francs (\$34.2 million) in three months, making it the top-selling fragrance in Europe.

Launch costs were 100 million francs, so the perfume was already profitable, and the cost of the withdrawal and redistribution would be a "negligible" 10 million francs.

| Investor's Europe | | | | |
|---|-----------------------|--------------|----------|-------|
| Frankfurt DAX | London FTSE 100 Index | Paris CAC 40 | | |
| 2200 | 3300 | 2200 | | |
| 2100 | 3200 | 2100 | | |
| 2000 | 3100 | 2000 | | |
| 1900 | 3000 | 1900 | | |
| 1800 | 2900 | 1800 | | |
| 1700 | 2800 | 1700 | | |
| Exchange Index Wednesday Close Prev. Close % Change | | | | |
| Amsterdam | CBS Trend | 139.30 | 139.30 | Unch. |
| Brussels | Stock Index | 7,318.59 | 7,332.10 | -0.18 |
| Frankfurt | DAX | 2,110.70 | 2,149.97 | -1.83 |
| Frankfurt | FAZ | 814.69 | 825.48 | -1.31 |
| Helsinki | HEX | 1,502.63 | 1,519.13 | -1.09 |
| London | Financial Times 30 | 2,469.00 | 2,447.60 | +0.88 |
| London | FTSE 100 | 3,278.80 | 3,248.40 | +0.94 |
| Madrid | General Index | 302.91 | 305.22 | -0.76 |
| Milan | MIIB | 1,308.00 | 1,301.00 | +0.54 |
| Paris | CAC 40 | 2,162.63 | 2,156.50 | +0.28 |
| Stockholm | Affarsvaerlden | 1,573.03 | 1,567.93 | +0.33 |
| Vienna | Stock Index | 465.55 | 468.99 | -0.73 |
| Zurich | SBS | 971.89 | 977.79 | -0.60 |

Very briefly:

- British Petroleum PLC's investments in 1994 are expected to raise \$1.5 billion and nearly complete the restructuring of the company's asset portfolio, Chief Executive David Simon said. He said BP's performance-enhancement program had "produced better-than-expected results despite a low oil price."
- Stattol AS and Neste Oy have reported progress on plans to merge their petrochemical and polyolefin businesses into a jointly owned company.
- Scandinavian Airlines System is interested in developing its relationship with and possibly acquiring British Midland over time. The SAS chief executive, Jan Reinas, told the Finans Tidningen newspaper, SAS, which currently owns 35 percent of British Midland's parent company, has an option to acquire the rest, the paper said.
- West European car sales fell 14.8 percent in the first 11 months, to 10.7 million, a manufacturers association reported.
- Cable & Wireless PLC withdrew from the consortium bidding for a 30 percent stake in the Hungarian telecommunications company Matav because it was dissatisfied with the size of the stake it would have acquired, industry sources said.

ING Unit to Purchase 26% Of Privatized Polish Bank

Warsaw — ING Bank will buy 1.2 trillion zloty (\$59.9 million) to buy 25.9 percent of Bank Slaski SA, the second Polish bank to be privatized, the Finance Ministry said Wednesday.

ING Bank, which will buy 2.4 million shares of Bank Slaski, 9.26 million shares, is expected to be an active investor with influence on management, the Finance Ministry said. It must hold its stock for three years and give the government the right to repurchase shares it intends to sell after that.

The state is keeping 34.1 percent of Bank Slaski, but it could reduce that to 30 percent by selling more to ING Bank, said Krzysztof Jakubik, a ministry spokesman. Poland previously sold 30 percent of the bank to small investors at 500,000 zloty per share, the same price paid by ING Bank, a unit of Internationale Nederlanden Groep NV.

The accord came after the government canceled an international tender for a larger stake in Bank Slaski in October, saying it was dissatisfied with potential buyers.

Bank Slaski, based in the southern city of Katowice, is the second of nine state banks derived in 1989 from the National Bank of Poland to be privatized. Earlier this year, the government privatized Wialopolski Bank Kredytowy, based in Poznan.

BENETTON: Clothes Maker Spins High-Tech Strategy at New Factory

Continued from Page 9

our advertising image," said Francesca Mattel, a Benetton fashion director, referring to the company's trademark photographic ad campaigns that focus on society's ills — from AIDS to racism — rather than clothes. "New technology will be our ally."

The R&D department, she said, is currently working on a fabric reprocessed from scraps. If the development succeeds, she said, it could make profitable use of the tons of scraps currently swept away as waste in the textile industry each day.

Instead of using the new know-how to develop a more integrated production process, Mr. Benetton said he aims to share the technology and production techniques, where possible, with the 600 outside suppliers upon which the company depends to produce finished goods from the fabrics that are knitted, dyed and cut by Benetton. About 80 percent of the finished pieces are farmed out to such suppliers, some partially owned by Benetton, giving the company great operating flexibility and low fixed costs.

"I'm not interested in having 20,000 employees," he said. "We have every interest in transferring this technology to our suppliers so that they can give us better quality at lower cost."

Benetton employs 5,000 people directly — half in Italy — with an additional 30,000 people working

indirectly at small suppliers. This does not include the people who operate 7,000 Benetton retail stores, which are independently owned.

The cost savings, he said, will help Benetton keep prices down and profits up, even as sales growth slows under the weight of global recession and near saturated markets in the United States and Europe.

Already, the company has abandoned its previous goal of reaching 4 trillion lire (\$2.37 billion) in sales by 1995. Now, Mr. Benetton says, that target may not be reached until 1996 or 1997.

Sales this year, he said, will advance around 10 percent over the 2.51 trillion lire tallied in 1992, with net profit growing at about the same rate over the 185 billion lire earned last year.

Considering the overall economic climate, he said advance orders have gone "very well" for the company's 1994 fall-winter collection. Mr. Condati predicts sales growth of 9 percent next year, with operating margins holding steady with 1993 at around 15 percent.

Benetton's stock has risen 79 percent over the past 12 months, closing Wednesday in Milan at 25,700

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The underwritten announces that as from 21 December 1993 at Koo Associates, N.V., Spuistraat 172, Amsterdam, the CDRs of RASS plc. will be payable with Dfls. 2.80 per CDR, i.e. 50 shares (or interdividend 1993) 5.40 per share. Tax residents of 0,681 - Dfls. 1.94. Non-residents of the United Kingdom can only claim this tax credit when the relevant tax treaty meets this facility.

AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, 15 December 1993.

NYSE

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Div Yld PE Ratio

| Symbol | 12 Month High | 12 Month Low | Div | Yld | PE Ratio |
|--------|---------------|--------------|------|------|----------|
| IBM | 115.00 | 105.00 | 1.50 | 1.30 | 15.00 |
| MSFT | 45.00 | 40.00 | 0.50 | 1.10 | 18.00 |
| GE | 35.00 | 32.00 | 0.40 | 1.15 | 16.00 |
| AMZN | 25.00 | 22.00 | 0.20 | 0.80 | 20.00 |
| GOOG | 15.00 | 13.00 | 0.10 | 0.70 | 22.00 |
| DIS | 28.00 | 25.00 | 0.30 | 1.05 | 17.00 |
| WMT | 22.00 | 20.00 | 0.25 | 1.10 | 16.00 |
| CVS | 18.00 | 16.00 | 0.20 | 1.10 | 16.00 |
| UNH | 30.00 | 28.00 | 0.35 | 1.15 | 15.00 |
| MRK | 25.00 | 23.00 | 0.30 | 1.20 | 14.00 |
| LLY | 20.00 | 18.00 | 0.25 | 1.25 | 13.00 |
| ABB | 15.00 | 13.00 | 0.20 | 1.30 | 12.00 |
| MDZ | 12.00 | 10.00 | 0.15 | 1.25 | 13.00 |
| MRB | 10.00 | 8.00 | 0.10 | 1.10 | 15.00 |
| MRK | 8.00 | 7.00 | 0.08 | 1.00 | 16.00 |
| MRK | 6.00 | 5.00 | 0.05 | 0.80 | 18.00 |
| MRK | 4.00 | 3.00 | 0.03 | 0.60 | 20.00 |
| MRK | 2.00 | 1.50 | 0.01 | 0.40 | 25.00 |

| Symbol | 12 Month High | 12 Month Low | Div | Yld | PE Ratio |
|--------|---------------|--------------|------|------|----------|
| MRK | 1.50 | 1.20 | 0.01 | 0.30 | 30.00 |
| MRK | 1.00 | 0.80 | 0.01 | 0.20 | 35.00 |
| MRK | 0.80 | 0.60 | 0.01 | 0.15 | 40.00 |
| MRK | 0.60 | 0.40 | 0.01 | 0.10 | 45.00 |
| MRK | 0.40 | 0.30 | 0.01 | 0.08 | 50.00 |
| MRK | 0.30 | 0.20 | 0.01 | 0.06 | 55.00 |
| MRK | 0.20 | 0.15 | 0.01 | 0.05 | 60.00 |
| MRK | 0.15 | 0.10 | 0.01 | 0.04 | 65.00 |
| MRK | 0.10 | 0.08 | 0.01 | 0.03 | 70.00 |
| MRK | 0.08 | 0.06 | 0.01 | 0.02 | 75.00 |
| MRK | 0.06 | 0.04 | 0.01 | 0.01 | 80.00 |
| MRK | 0.04 | 0.03 | 0.01 | 0.01 | 85.00 |
| MRK | 0.03 | 0.02 | 0.01 | 0.01 | 90.00 |
| MRK | 0.02 | 0.01 | 0.01 | 0.01 | 95.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 100.00 |

| Symbol | 12 Month High | 12 Month Low | Div | Yld | PE Ratio |
|--------|---------------|--------------|------|------|----------|
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 105.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 110.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 115.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 120.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 125.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 130.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 135.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 140.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 145.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 150.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 155.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 160.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 165.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 170.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 175.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 180.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 185.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 190.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 195.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 200.00 |

| Symbol | 12 Month High | 12 Month Low | Div | Yld | PE Ratio |
|--------|---------------|--------------|------|------|----------|
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 205.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 210.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 215.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 220.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 225.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 230.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 235.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 240.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 245.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 250.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 255.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 260.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 265.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 270.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 275.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 280.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 285.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 290.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 295.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 300.00 |

| Symbol | 12 Month High | 12 Month Low | Div | Yld | PE Ratio |
|--------|---------------|--------------|------|------|----------|
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 305.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 310.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 315.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 320.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 325.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 330.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 335.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 340.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 345.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 350.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 355.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 360.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 365.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 370.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 375.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 380.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 385.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 390.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 395.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 400.00 |

| Symbol | 12 Month High | 12 Month Low | Div | Yld | PE Ratio |
|--------|---------------|--------------|------|------|----------|
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 405.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 410.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 415.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 420.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 425.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 430.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 435.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 440.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 445.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 450.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 455.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 460.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 465.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 470.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 475.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 480.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 485.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 490.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 495.00 |
| MRK | 0.01 | 0.01 | 0.01 | 0.01 | 500.00 |

NYSE

Wednesday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

(Continued)

Table with columns: High, Low, Last, Change, Volume, Bid, Ask, Name, Div, Yld, PE, Ratio, High, Low, Last, Change, Volume, Bid, Ask, Name, Div, Yld, PE, Ratio.

Table with columns: High, Low, Last, Change, Volume, Bid, Ask, Name, Div, Yld, PE, Ratio, High, Low, Last, Change, Volume, Bid, Ask, Name, Div, Yld, PE, Ratio.

Table with columns: High, Low, Last, Change, Volume, Bid, Ask, Name, Div, Yld, PE, Ratio, High, Low, Last, Change, Volume, Bid, Ask, Name, Div, Yld, PE, Ratio.

BIOTECH: New York Can't Keep Young Industries That Must Expand

Continued from Page 9... Biotech is plagued by the same problems that afflict all those doing business in New York: high taxes, an often-paralyzed political system, intrusive regulations, a reputation as a difficult place to live and work.

Table with columns: Name, Div, Yld, PE, Ratio, High, Low, Last, Change, Volume, Bid, Ask, Name, Div, Yld, PE, Ratio.

Table with columns: Name, Div, Yld, PE, Ratio, High, Low, Last, Change, Volume, Bid, Ask, Name, Div, Yld, PE, Ratio.

Table with columns: Name, Div, Yld, PE, Ratio, High, Low, Last, Change, Volume, Bid, Ask, Name, Div, Yld, PE, Ratio.

ADVERTISEMENT INTERNATIONAL FUNDS Dec. 15, 1993

Large table listing various international funds with columns for fund name, share price, and other details. Includes sub-sections like 'Other Funds' and 'FUND ENHANCEMENT STRATEGISTS'.

NASDAQ

Wednesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

| 12 Month High Low Stock | Div | Yld | PE | 100 | High | Low | Last | Chg |
|----------------------------|-----|-----|----|-----|------|-----|------|-----|
| AA | | | | | | | | |
| ABB | | | | | | | | |
| ABC | | | | | | | | |
| ABT | | | | | | | | |
| AC | | | | | | | | |
| ACI | | | | | | | | |
| ACM | | | | | | | | |
| ACT | | | | | | | | |
| AD | | | | | | | | |
| ADP | | | | | | | | |
| ADT | | | | | | | | |
| ADW | | | | | | | | |
| AE | | | | | | | | |
| AET | | | | | | | | |
| AEX | | | | | | | | |
| AF | | | | | | | | |
| AFN | | | | | | | | |
| AFS | | | | | | | | |
| AG | | | | | | | | |
| AGN | | | | | | | | |
| AGS | | | | | | | | |
| AH | | | | | | | | |
| AHT | | | | | | | | |
| AIA | | | | | | | | |
| AIAA | | | | | | | | |
| AIB | | | | | | | | |
| AIC | | | | | | | | |
| AID | | | | | | | | |
| AIG | | | | | | | | |
| AIGP | | | | | | | | |
| AII | | | | | | | | |
| AIR | | | | | | | | |
| AIRG | | | | | | | | |
| AIS | | | | | | | | |
| AJG | | | | | | | | |
| AK | | | | | | | | |
| AKA | | | | | | | | |
| AKO | | | | | | | | |
| AKR | | | | | | | | |
| AKS | | | | | | | | |
| AKT | | | | | | | | |
| AKX | | | | | | | | |
| AKZ | | | | | | | | |
| AKY | | | | | | | | |
| AKZ | | | | | | | | |

| 12 Month High Low Stock | Div | Yld | PE | 100 | High | Low | Last | Chg |
|----------------------------|-----|-----|----|-----|------|-----|------|-----|
| AL | | | | | | | | |
| ALB | | | | | | | | |
| ALC | | | | | | | | |
| ALD | | | | | | | | |
| ALE | | | | | | | | |
| ALF | | | | | | | | |
| ALG | | | | | | | | |
| ALH | | | | | | | | |
| ALI | | | | | | | | |
| ALJ | | | | | | | | |
| ALK | | | | | | | | |
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Wednesday's Closing

Tables include the narrowest prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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ADVERTISING SECTION

EUROMANAGERS

WANTED: THE LEAN, THE MEAN AND THE SENSITIVE

Recession, deregulation and competition have powerfully concentrated European business minds on a single objective: how to make money and stay afloat. Paradoxically, this narrowing of focus is creating a need for managers with an ever-wider range of skills and broadly based cultural backgrounds.

"It goes without saying that today's managers must

Cross-disciplinary skills are crucial

be fully open to the international dimension of their activities," says Bruno Dufour, chief executive of the Lyon Graduate School of Business (Groupe ESC Lyon) in France. "Beyond this, they also require the flexibility to deal with quick-moving situations in a context where companies

can rarely plan for more than a year ahead.

"In an increasingly complex environment, companies seeking executives for general management functions now require candidates to have more than a superficial knowledge of the different branches of their business. What they want and expect nowadays are multi-specialists," adds Mr. Dufour, who also runs his own textile business. "Combined with the additional negotiating strength that the current employment situation confers on employers, this trend is leading companies to place greater emphasis on long-term loyalty to the company. When managers stay longer with the company, this enables employers to move them about more often between different sectors and functions, thus giving them wider and deeper practical experience."

Characteristically,

today's most sought-after managers are "lean and mean," with a successful track record in areas such as cutting costs, downsizing, decentralization and corporate re-engineering. These requirements come on top of the need to understand foreign languages and cultures and to possess the necessary tools for managing continual change and diversity. Against this background, cross-disciplinary skills are also now at a premium.

"When I am evaluating young candidates for managerial posts, I like to see what they have done apart from their academic studies," says Adolf Ihde, head of junior manager development-international programs with Deutsche Aerospace in Germany. "For instance, if they have set up a small business activity or pursued some other project during the time they were studying at university, this is often a good sign."

According to Michel Azaria, director of the London Business School's career-management center, mobility in all its senses is a key managerial requirement. "The very notion of 'expatriate' has disappeared when it comes to the willingness of executives to relocate across European frontiers," he says. "Europe is now the domestic market. In addition to geographic

mobility, the ability to move laterally within the organization is also a must."

Some observers believe that the current obsession with constant movement, quick assessment and instant action could be obscuring longer-term objectives.

"The intensity of competition certainly justifies the acquisition of such skills, but I am not sure that all the costs of this approach have been evaluated," says Eric Briys, dean of the Institut Supérieur des Affaires (ISA) at Jouy-en-Josas near Paris. ISA is part of the HEC school of management, which is run by the Paris Chamber of Commerce and Industry.

"There is a tremendous value in the art of 'gazing or deciphering.' By this I mean the ability to look at patterns, areas and fields that at the outset appear completely disconnected, only to discover that in fact a number of hidden relationships may tie them together," adds Mr. Briys.

In pursuit of this idea, Mr. Briys is arranging a course on music as an unexpected model of management. "To be taught by a well-known French conductor, ISA is also working jointly with the Louvre Museum as well as launching a program on ethnology and anthropology; it is also attempting to integrate a

broad approach to ethics into its international MBA studies.

The new challenges and uncertainties that face today's managers are subjecting corporate executives to unprecedented strains and conflicts. Many cannot keep up, and some are just unlucky. Those that survive, however, are much better informed and professionally capable than ever before. "There is now a new generation of managers equipped with deep cross-cultural understanding and a truly global perspective," says Ludo Lambrechts, dean of the European University in Brussels.

Antonio Borges, co-dean of the INSEAD business school at Fontainebleau near Paris, adds: "Managers who use our services today know far more about their jobs and the way business works than their predecessors did as recently as 10 years ago."

The main thrust of management development nowadays is how to foster leadership qualities, and not basic functional areas." Mr. Borges is also a former deputy governor of the Bank of Portugal.

Across Europe, large businesses are flattening their hierarchical structures and dismantling internal demarcation lines as they struggle to concentrate their efforts on the essential. This



Managing across borders: "The notion of 'expatriate' has disappeared."

means that companies are putting ever-increasing emphasis on the ability of executives to work in multi-disciplinary teams as well as to run up and down the lines of corporate communication, easing pressure points and ensuring that the profit machine keeps working effectively.

"A good example of this trend is Mercury Commu-

nications," says Eddie Obeng, the client-and-program director at Ashridge Management College in Britain. "With our help, the company recently devised a new virtual team concept for their managers. The matrix approach to management, which was prevalent 15 years ago, is now thoroughly outdated."

Such trends do not mean,

however, that there is now a single European management style; much less that companies are looking for a standardized Euromanager. "Differing local and corporate cultures still play a vital role," says Peter Lorange, president of IMD—an international management development institute based in Lausanne, Switzerland. Michael Rowe

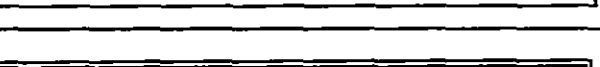
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A HUNTING GROUND FOR HIGH-FLYERS

The title is impressive: the Euromanagers-Euroengineers Forum '93. So is the quality of the participants. At base, however, the event is an ultra-sophisticated version of college job interviews.

Today and tomorrow in Brussels, recruiters from the head offices of more than 30 multinational corporations will huddle with 400 of the best and the brightest of recent crops of college graduates. The

objective of the five-year-old event, which is run by the Brussels-based international recruitment company EMDS and sponsored by Daimler Benz and Commerzbank, is to match the high-flying graduates with the top-notch companies.

A total of 400 "high-potential graduates" will attend the event. They were selected from more than 600 applicants from more than 20 countries. All have

demonstrated a broad range of skills appropriate to working in international corporations.

In selecting the 400, recruiters have sought evidence of high academic achievement, outstanding intellectual and interpersonal skills, the ability to operate in at least two languages, international exposure and international mobility, a maximum of five years of experience after leaving college and availability for employment next year.

Individual companies have also set their own spe-

cific criteria for the candidates.

During the two days, candidates will be free to visit any of the company representatives present. Most have already scheduled interviews with two or three specific companies in attendance. In addition, the candidates will attend round-table discussions and company presentations. The jobs on offer span a wide spectrum. They range from marketing to research and development," says Stephan Wajskop, managing director of EMDS. "The one thing that they have in

WHO'LL BE THERE?
The following 32 companies will be represented at the Euromanagers-Euroengineers Forum '93, according to EMDS:

AEG-AGIP, Asea Brown Boveri, Barclays Bank, Bertelsmann, BMW, Borealis, ABB, Hamilton, BP, Oil, Bull, Commerzbank, Compagnie Bancaire, CFC, Europe, Daimler-Benz, Datsun, Deutsche Aerospace, Deutsche Bank, Dresdner Bank, EDF-ODF, Heulemans, Packard, Lehmann Brothers, McKinsey & Co., Mercedes-Benz, RWE, Shell, Société Générale, Swiss Bank Corporation, Thomson.

common is the international nature of the work."

The experience does not represent a sinecure for the graduates. Given the toughness of Europe's recession, companies have tough criteria for new recruits. Nevertheless, a healthy proportion can expect to receive a five-star job offer. "Last year, despite the economic situation, more than 100 were offered jobs," says Mr. Wajskop.

Even attendees who do not receive offers will gain from the event, according to Zygmund Tyszkiewicz, secretary general of the Union of Industrial & Employers' Confederation of Europe. "Young people who are determined to work at the pan-European level will benefit simply by attending, thus improving their knowledge of the job market and of the qualifications and personal characteristics that companies are seeking," he says.

One trend is working in favor of the elite job-seekers: With the single market having become a reality at the beginning of this year, companies are increasingly seeking internationally minded managers and other recruits. That fact, according to Mr. Wajskop, just about balances out the decline in job opportunities caused by the recession.

Companies appreciate the quality of the applicants. "The forum "provides an opportunity to meet outstanding personalities - and recruit them," declares Joachim Bieker, vice president, recruiting and management development for Bertelsmann.

Ernst Stauffer, vice president of human resources IFG at Swissbank Corp., adds: "For a company like ours involved in global business, this valuable service is particularly helpful for recruiting young multilingual and multicultural personalities."

Peter Gwynne

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EUROMANAGERS

MANAGEMENT EDUCATION: QUICK RESPONSES, NEW TACTICS

Turnover and change in the world of business are presenting the suppliers of management education with a curious paradox. On the one hand, recession and fierce competition are making companies question every cent they spend on training programs, and individual students are finding it more difficult to leave their jobs to enroll in MBA courses. At the same time, those very factors are boosting corporate need for effective management development to help them restructure and survive.

As a result, business schools and management institutes are frantically revising their own market offerings and structures as they compete for the available business in a new and pitiless climate. Degree courses such as MBA programs and non-degree executive education are both being subjected to intense scrutiny and revision. Schools are trying to get closer to business, while companies are demanding an ever-bigger say in the way courses are delivered as well as in their content.

"There is a real change in customer behavior when it comes to the organization of non-degree management courses," says Bernadette Conrath, assistant director with the European Founda-



Tomorrow, the world: Students map out pan-European strategies.

tion for Management Development (EFMD) in Brussels. "Instead of turning immediately to outside bodies for off-the-peg courses, more and more corporations are deciding what they want in-house. Then they shop around to buy in whatever business-school expertise they may need on specific issues."

France's Crédit Lyonnais bank provides one example of this approach. "We have 38,000 staff members in France and 40,000 abroad, and the bank is pursuing a vigorous international expansion program," says Serge Vandaele, director of the Crédit Lyonnais training center in Paris.

The bank's courses include a program called CLIP, which aims at training around 40 new European executives every year over the next decade. "We rely mainly on our in-house facilities for management development, and when we call on schools such as the HEC and ESSEC groups, it is usually for help in the design of our own courses," says Mr. Vandaele.

Against this background, executive courses run by business schools are increasingly aimed at the broadest management issues, and at senior and upper-middle levels of management. Cranfield University School of

Management in Britain, for instance, estimates that around 64 percent of delegates attending its open programs are senior managers and board directors. The school has elected to provide a mix of programs tailored for single organizations and open courses.

MBA programs - traditionally based on a two-year full-time course, following the original U.S. pattern - are also changing

prominent example of the distance-learning approach to MBA teaching. "We are making constant efforts to update our teaching material, and we have developed 100 new cases in the last two years," says Henri Tézenas de Montcel, chief executive of the HEC group.

Moreover, Manchester Business School has recently redesigned its MBA course and now offers a fast-track option that can be completed in 12 months. "This is intended essentially for students with at least five years' work experience plus a good first degree. We also hope that this shorter course option will encourage more firms to sponsor or support employees during their time at the school," says Peter Barrar, the MBA program director.

Also in Britain, Lancaster University Management School has been revising its MBA programs to provide greater focus on organizational change. School authorities say this move was made in response to requests from industry. Lancaster also runs a company-specific MBA course for British Airways and is currently extending the number of participants to around 200.

In Germany, Deutsche Aerospace has set up a company MBA program, with degrees awarded by Henley Management College. "This is a two-year part-time course, mixing elements of distance learning at home, course work in the office and periods on campus in Britain and the United States," says Adolf Ihde, head of junior management development international programs with Deutsche Aerospace in Munich. "There are still not enough general managers in Germany, and part of our motivation for starting this program was to improve the position in this respect."

Many of the French institutions that run MBA and similar courses are financed by the country's major chambers of commerce and university institutions.

One well-known example is the MIB (MBA in International Business) degree awarded by the Ecole Nationale des Ponts et Chaussées in Paris. Students from over 25

countries complete nine months of study at the Paris campus, based on a self-designed (and faculty-approved) curriculum, then work four to six months in a company anywhere in the world to complete the required "professional training project."

More specialized groups are also involved in management-education ventures. In 1988, a consortium including France Telecom, Air France, Banque Nationale de Paris and the Société Générale set up the Théséus Institute at Sophia Antipolis near Nice. The aim is to fill a gap in management education by providing courses that stress the importance of information technology.

According to figures collated by Richard Kwarler, editor and publisher of a specialized U.S. publication called MBA Newsletter, there are around 275,000 students currently taking MBA courses in the United States, and probably between 40,000 and 50,000 in the rest of the world combined. "Business schools in the United States are having to adapt in a similar way to those in Europe, though exceptions to the two-year model are still rare," says Mr. Kwarler.

In this competitive environment, U.S. institutions are increasingly offering MBA and similar courses to European students. New York's Syracuse University, for example, offers MBA and other degree programs, which enable students to combine independent study with residential sessions on campus.

Another example is the University of Maryland's branch in Germany, which

offers a master's degree in international management.

The University of South Florida (USF), in collaboration with the Ecole des Cadres La Défense, has recently launched an executive MBA program that involves intensive weekend study in France for 16 months, topped off with two three-week sessions on campus in Tampa, Florida. Another example is the University of Hartford Business School (UHBS), which runs a Paris MBA program. "This year we have 34 nationalities represented in our class," says Heinz Brennwald, MBA program director. Like many business schools, UHBS is revising its curriculum to respond to changes in the European economic climate. "One-

third of our course offerings were modified this year," says Mr. Brennwald.

In addition, the Saint Xavier University in Paris (Graham School of Management) - an offshoot of the same university in Chicago - has been offering a part-time evening course MBA since 1989. It has now launched a one-year full-time MBA course aimed at international students.

The Paris-based Institut Franco-Américain de Management (IFAM) provides both BBA and MBA instruction, involving study in France and the United States. "MBA University," a one-year full-time MBA program, was created by IFAM in 1986 in collaboration with major U.S. universities. M.R.

THE RE-ENGINEERING DEBATE: NEW TOOL OR PASSING FAD?

"Re-engineering," a term coined by U.S. business consultant Michael Hammer, has rapidly become a key buzzword in international management circles. But can the idea really help corporate Europe to emerge from recession and to restructure, or is it just another passing fad?

Eddie Obeng of Ashridge Management College, whose duties include running the school's re-engineering project, has few doubts. "The concept of the business hierarchy built up over the last two hundred years or so is largely at establishing and maintaining control," he says. "Now

no single common pattern in management restructuring. Continuing diversity is illustrated by the different requirements companies spell out when they go recruiting. "Some employers say they are looking for self-starters, others state that they want people who will adapt well to a strong corporate culture," says Mary Anne Waikart, associate dean of London Business School's MBA program.

Whereas concepts such as downsizing aim principally at cutting costs, the idea of re-engineering is to reshape the company so that it focuses on essential revenue-generating activities. "Too many multinational businesses in need of a fundamental shakeup call in consultants who merely suggest ways to tidy up individual departments rather than going for a real restructuring," says Mr. Obeng. "The problem is that the people in charge do not want their own authority to be radically challenged."

If carried out successfully, root-and-branch re-engineering produces businesses that function like living organisms rather than like frozen pyramids, argue proponents of the idea. "What needs to be done is to reorganize companies totally so that they concentrate on core activities, cut out unnecessary levels of supervision and recognize that formal hierarchies are irrelevant," says Mr. Obeng. "The key to this is organizing effective cross-disciplinary teams - either formally or on a virtual team basis - so that people can link up across the entire organization."

Hill & Knowlton - a transnational public relations consultancy originally based in New York - provides one example of a company that has recently undergone global restructuring. Henceforth the outfit will be run by three equal regional chief executives for North America, Europe, the Middle East and Africa; and the Asia-Pacific region. The president and chief executive officer - New York-based Thomas E. Eidsen - is abandoning his overall title in favor of a system under which each regional chief will in turn preside over an executive committee.

"Clients require faster decision making and response at the regional level without a centralized bureaucracy in New York," commented Mr. Eidsen when the changes were announced. "Under this new structure, our firm will be less hierarchical, less bureaucratic, less burdened by overhead costs, less centrally controlled and certainly more sensitive to client service."

Restructuring often involves large companies being split up into smaller

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we have to forget all that and go for new structures that directly help companies to make money.

Other take a more cautious line. "The idea is partly an attempt to respond to a need but partly also a current fashion," says Bernard Ramantsoa, the senior member of the HEC School of Management's professional and research team at forty-endorsed. "The need arises from the competitive pressures on businesses to operate more flexibly and to break down traditional lines of demarcation," he adds.

At the same time, there is

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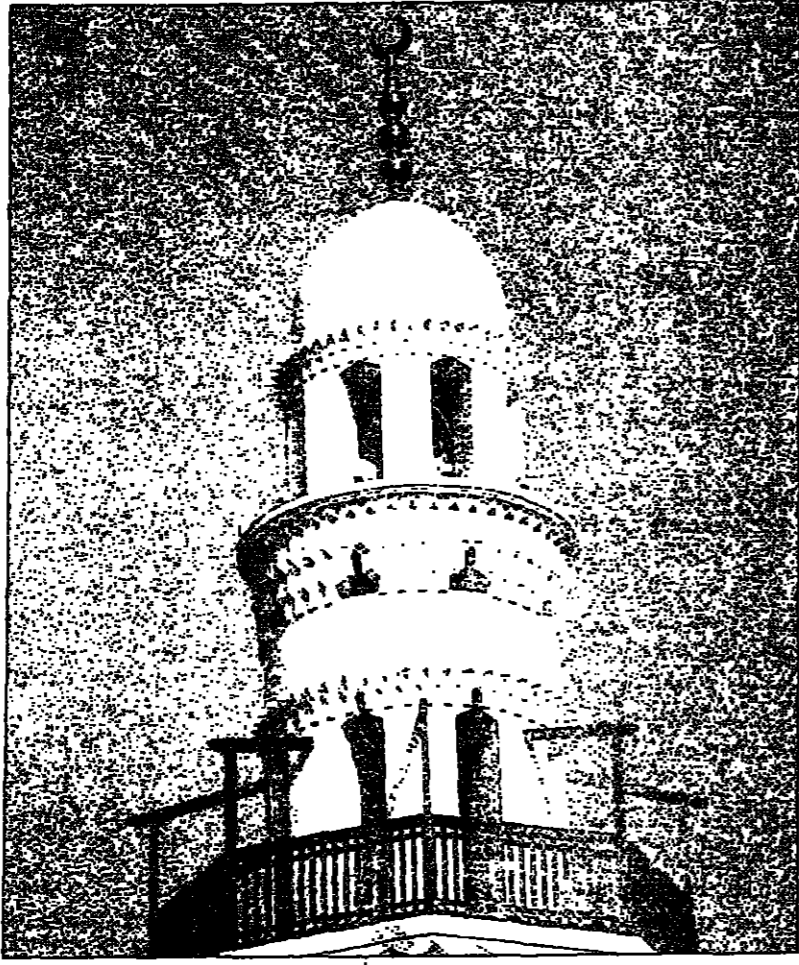
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BAHRAIN

FROM ENERGY TO SERVICES, A DIVERSIFIED ECONOMY



A mosque in Manama. Stability and tranquility have contributed to Bahrain's success.

Bahrain is on the move again after three years of intensive promotion by the government to encourage greater industrial and commercial investment and expansion. In addition, there have been significant moves to consolidate and improve the financial-services sector.

Immediately following the Gulf War, fears were expressed that this small emirate in the Arabian Gulf, which lacked the oil resources of its much larger neighbors, would be left behind in an economic sense.

In the last one-and-a-half years, however, a massive \$1.6 billion expansion of the aluminum smelter (ALBA) has been completed, giving it an annual capacity of 460,000 tons. An extended 1,340-megawatt power plant will send its surplus output via a new 220-kilovolt link to the island's national electricity grid. Two huge floating docks have been added to the Arab Shipbuilding and Repair Yard Company (ASRY), the international

airport has been extended and work is due to begin soon on a new, \$300 million deepwater port, which will handle the new generation of container vessels.

With the basic infrastructure - including unrivaled telecommunications facilities - in place, a wide range of localized manufacturing and industrial processes are either at the start-up or planning stage. These include two plants making aluminum wheels and other components for the auto industry, aluminum extrusions, foil, furniture, plastics and petrochemicals.

One of the biggest new ventures just announced is a \$33 million tissue mill, which will be able to produce 15,000 tons a year of paper products. This is a joint venture between the Saudi Arabian Olayan Company and the U.S. Kimberly-Clark, which manufactures Kleenex.

Since the heady days of the late 1970s, Bahrain's main activities have revolved around financial services and, in particular, the sudden growth of offshore banking units. Today,

there are almost 90 commercial and investment banks, both international and locally incorporated, as well as offshore banks with combined assets totaling more than \$70 billion. There are also 50 representative offices and brokerage houses as well as some 60 local, foreign and exempt insurance companies. Together, according to the Bahrain Monetary Agency (BMA), they account for 17 percent of the overall economic activity; they are also a major employer of the local work force, employing more than 4,000 persons.

Commenting on the government's efforts to create an attractive environment for the financial-services sector, Abdulla H. Saif, governor of the BMA, told an economic conference held in Bahrain earlier this year: "We have provided an

environment free from corporate and personal taxation and from exchange controls, a liberal legal and administrative framework, and a wide range of modern infrastructure, particularly in the field of telecommunications. We have reduced red tape and have supported innovation."

In the early 1930s, Bahrain was one of the first countries in the region to discover oil, but production has always been limited and, until recently, was only about 70,000 barrels a day. Today, however, it receives an extra 30,000 barrels a day in shared production with Saudi Arabia (now linked to the island by a 25-kilometer causeway) from the Abu Safa oil field. The oil is processed by the Bahrain Petroleum Company (Bapco), which also refines another 250,000 barrels a day of mainly Saudi oil. While the

government has been stressing the importance of developing a non-oil-based economy, oil and gas still account for more than 60 percent of total revenues. Plans to upgrade the refinery to enable it to produce higher-grade lead-free gasoline as well as a small amount of MTB, the gasoline lead-free additive, are apparently being revised. Rashid Al-Dhubab, director for oil at the Ministry of Development and Industry, has said that a review of the current plans will be completed early next year.

The government is also trying to encourage greater support from the private sector and hopes that the emerging stock market will develop into a vehicle for more local investment. Privatization is also being introduced as a means of financing new and existing projects. These include the

cases, by extensions - to a number of the leading hotels, like the Gulf Regency, Sheraton, Diplomat and the Holiday Inn. The latter has had a substantial new conference hall built. Next year will see the official opening of Bahrain's first seaside hotel, Le Meridien; it will set new standards of luxury for visitors to the island, which is also to have its first all-green golf course.

The service industries have always been the backbone of the Bahraini economy. In addition, due to the substantial skill base, the government would like to see more export-oriented manufacturing, and it is constantly reviewing its package of incentives for investment.

"Foreign investment and agency legislation have been liberalized and overhauled," says Abdul



The Aluminium Bahrain (ALBA) smelter, which completed an extensive modernization project last year, provides feedstock for many downstream industries on the island.

brahim Karim, minister of finance and national economy: "An industrial incentives program will reward those who choose Bahrain as a strategic location, with substantially lower charges as well as labor incentives and duty exemptions."

With the announcement this year of a consultative council, Bahrain is also heading toward a more democratic form of government. It already has one of the most liberal press and broadcasting systems in the Gulf. "The free flow of information has revolutionized life in the Gulf," said Tariq A. Almoayed, minister of information, in a recent article. "Business and financial institutions have quickly realized that this has increased the feeling of stability and tranquility in the market, which has added to the success of the country as a financial center." Michael Frenchman

new port at Hidd, Gulf Air power generation and desalination projects. Build-operate-and-transfer schemes have also been discussed.

Gulf Air - jointly owned by Bahrain with Abu Dhabi, Oman and Qatar - has just ordered six B777s from Boeing, with an option on another six, as part of its fleet upgrade. It has already ordered six Airbus A340-300s, the first of which will go into service next May. Shortly after, it will start operating direct flights to the United States and to new destinations in Europe. The airline hopes to make \$20 million in profits this year.

Bahrain is also hoping to capitalize on its geographical position as the hub airport for the region and to create a more vibrant tourist and incentive-travel industry. There has been a radical refurbishment - in some

of the Washington operating agreement of the International Telecommunications Satellite Organization (Intelsat), in which it has now increased its investment by \$4.5 million. "The ability to go anywhere in the world via Intelsat and the system quality have enabled Bahrain to maintain a modern telecommunications network over the years," says Andrew Hearn, general manager of Batelco. Until this year, Batelco had been a nonmember user of Intelsat.

Last year, Batelco - which prides itself on having some of the lowest communications charges - made a profit of nearly \$50 million. Last month, Sheikh Isa bin Ibrahim Al Khalifa, first deputy chairman of the company, laid the foundation stone for its new 10-story downtown building in Manama. The \$5 million Bahraini-dinar building, which will also house a 30,000-line digital exchange, should be completed by 1996.

A \$20 MILLION UPGRADE AND OTHER TELECOM TACTICS

On one Friday night last month, the airwaves were silent for six hours as the mobile-phone network of Bahrain Telecommunications Company (Batelco) was switched off. This will allow engineers to complete the final stages of a 7.5-million-Bahraini-dinar (\$20 million) up-

grade of the mobile system. Capacity will increase from 11,000 lines to 20,000 lines as the number of base stations rises from 11 to 30. By 1995, mobile-phone users will be able to call Europe directly.

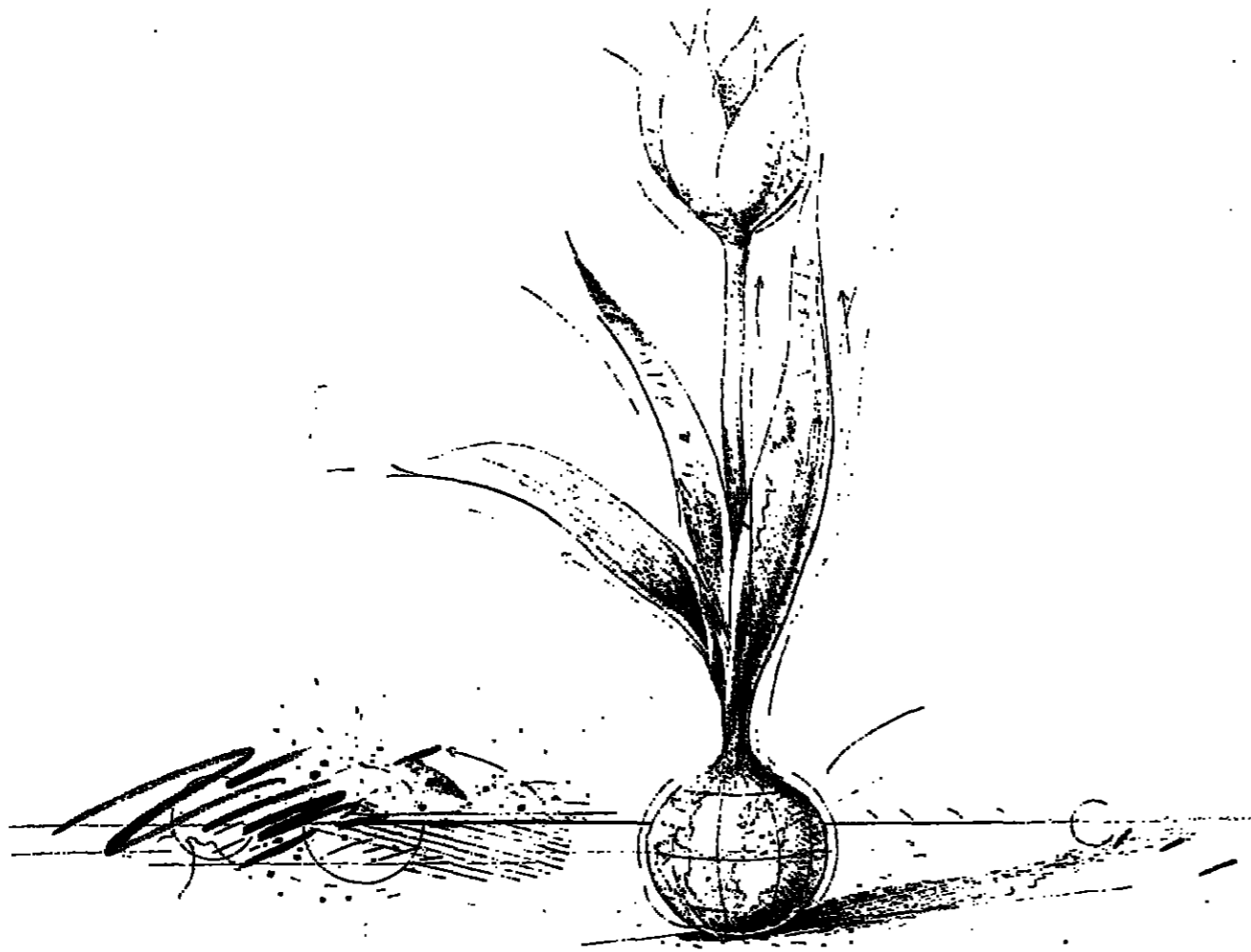
Batelco is constantly introducing a wide range of new services, including sophisticated international paging, high-speed data links, voice mail, teleconferencing, international video and many other business services. Earlier this year, the company became

the 127th member to sign the Washington operating agreement of the International Telecommunications Satellite Organization (Intelsat), in which it has now increased its investment by \$4.5 million. "The ability to go anywhere in the world via Intelsat and the system quality have enabled Bahrain to maintain a modern telecommunications network over the years," says Andrew Hearn, general manager of Batelco. Until this year, Batelco had been a nonmember user of Intelsat.

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The New Economic Era

MORE CLOUT FOR FINANCIAL SECTOR

The Bahrain Monetary Agency (BMA), the country's central bank, is introducing new measures to reinforce Bahrain's role as the pre-eminent financial center in the Middle East. A deposit-protection scheme is being implemented, and new regulations governing collective investments and Islamic banking have also been issued. These reforms are helping to ensure that the current high rate of economic growth takes place at a sustainable pace and that the steady improvement in the banking sector's performance is maintained.

Proposals concerning the new deposit-protection scheme were sent to financial institutions and government agencies earlier this month. The scheme will

apply to small investors, both resident and nonresident, and it will cover current, call, savings and/or fixed deposits in Bahraini dinars and other currencies, as well as nonbearer certificates of deposit denominated in Bahraini dinars and other currencies issued by the country's commercial banks.

Under its terms, depositors will be entitled to receive the lower figure of either 75 percent of their combined deposits or a sum of 15,000 Bahraini dinars (\$39,700) in the event of a commercial bank liquidation. Funds for the scheme, up to a maximum of 25 million Bahraini dinars in one year, are to be provided by the banking sector and will be administered by the BMA, officials from the Bahrain Chamber of Commerce, government ministries and the Bahrain Bankers Society.

The move is the first of its kind in the Gulf and will help to reassure depositors in the wake of the collapse of the Bank of Credit and Commerce International. It also supplements other measures taken recently by the BMA to regulate mutual- and unit-trust schemes and investment consultants. "Our first interest is to guarantee the integrity of the market," says BMA Governor Abdullah Saif. The BMA, he adds, has created a new regulatory

category for investment advisors in an effort to prevent "market raiders" and to ensure that the present worldwide trend toward universal banking is supervised adequately.

Local banks are now taking up the promising field of providing a new range of collective investments to investors in both Bahrain and the Gulf.

The National Bank of Bahrain reported that more than 150 people from the region attended an investment forum it held in October to introduce its new team of investment advisors and four new private-label investment funds. Further launches, concentrating on international equity funds, are planned in the next few weeks.

Bahrain International Bank is also moving into this area with the launch of its American Real Estate Income and Growth Fund. Announced in October, it is reported to have raised \$15 million, 20 percent more than the minimum target set for the fund.

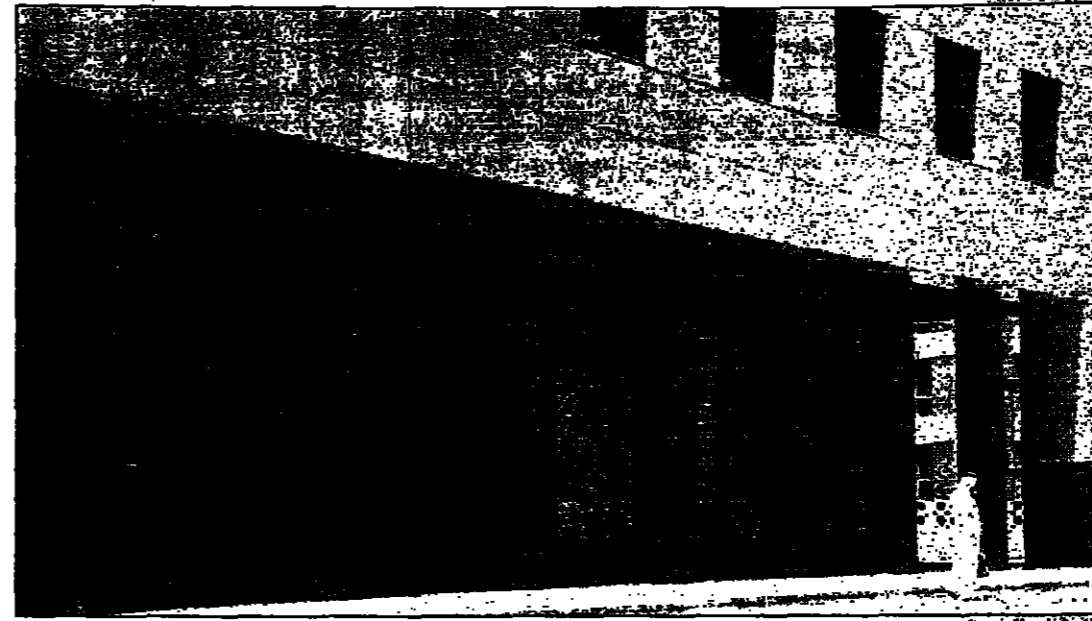
Going a step further, the Bank of Bahrain and Kuwait has announced that it plans to expand its services to include private banking by early next year.

"BBK has previously offered investment opportunities in mutual funds, but private banking will be a brand-new service," says

General Manager and Chief Executive Murad Ali Murad. Portfolio assets management will be provided in association with a leading international company, he adds, and management will be obtained on loan from Switzerland.

For the offshore-banking units, both project finance and export-credit cover are providing substantial business, particularly in the Gulf region as a whole. A new link between the Aluminium Bahrain (ALBA) smelter's power-supply system and the Bahrain national grid is being built with the help of ABN-AMRO, the Netherlands-based bank. Its Bahrain OBU served as a lead manager for the \$70 million funding late last year.

The BMA's decision to register the Faisal Islamic Bank of Bahrain as a full commercial branch also reflects its concern for promoting the country's financial center both regionally and internationally; at the same time, it is maintaining its commitment to firm and timely supervision. The new branch, which will offer products based on Islamic financial principles and which opened in October, is fully incorporated in Bahrain and subject to the normal reserve requirements, the London-based weekly Middle East Economic Digest reported



in November. "We are the lender of last resort," says Mr. Saif. "As long as the rules of the game are laid out and there is transparency in terms of risk - the type and the magnitude - it is for the investor to decide."

Still other efforts are being made to guard against the kind of speculative activity, particularly in real estate and in share dealings, that have posed problems elsewhere in the region as well as abroad. The BMA is closely monitoring trends in these activities, as well as in the rapidly growing amounts of consumer finance, says Mr. Saif. "There is concern over the growth of facilities for consumers that are not put to productive uses," says

the governor. "Should we see speculative activity, we caution the banks."

Meanwhile, two of Bahrain's leading international institutions are expanding their operations in the world's leading economies. The Arab Banking Corporation, which reported a rise of almost 30 percent in pretax profits - to \$103 million - in the first nine months of this year, has taken its first steps toward establishing a joint venture in China, senior executives reported in October. As part of the plan, ABC has agreed to sell 20 percent of its Hong Kong subsidiary, the International Bank of Asia, to a leading Chinese financial trading group, and it is planning to float another 25 percent of IBA shares on the Hong Kong stock exchange. ABC, IBA and the Chinese company Everbright Holdings will

then set up a joint-venture financial institution on the mainland, the executives added.

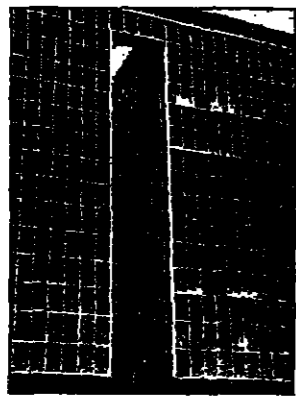
Elsewhere, the international investment bank, Investcorp, which has its headquarters in Bahrain, has completed arrangements to acquire Camelot Music, the third-largest specialty music retailer in the United States. Investcorp recently became the sole owner of Italian luxury goods retailer Guccio Gucci.

Investcorp also recently acquired the German fashion group Mondri; the U.S. convenience-store chain, Circle K Corp.; and Thorn EMI Lighting in Britain. Together with the enhancement of Bahrain as a regional financial center, these moves will help to consolidate its growing importance as a player in international finance.

Pamela Ann Smith

Arab Banking Corporation's Bahraini operations are the foundation of its expansion in the region.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. Michael Frenchman is a free-lance writer based in Britain who writes often about the Middle East. Pamela Ann Smith, based in London, writes often about Middle East issues.



Bahrain Stock Exchange: a vehicle for local investment.

WISH LIST AND LURES FOR FOREIGN INVESTORS

Much of the credit for Bahrain's buoyant new image as a fast-track investment center is due to the efforts of the Bahrain Marketing and Promotions Office (BMPO), which seeks to cut through some of the bureaucracy that sometimes faces inward investors and possible joint-venture partners.

"We now see a growing awareness of the investment opportunities that we are offering here, and we are streamlining our licensing system accordingly," says Minister of Development and

Industry Yousef Ahmed Al Shirawi, whose ministry is responsible for the BMPO. "We have become the agent of the prospective business partner, and we are here to help with visas, labor regulations, environmental issues, planning and everything involved in setting up a new project."

The BMPO highlights the following incentives for business partners:

- 100-percent foreign ownership of companies allowed.
- No personal, corporate or withholding taxes.

- No restriction on repatriation of capital or profits.
- Established money market.
- Free currency convertibility.
- Well-established legal system.
- Skilled labor force.
- Advanced telecommunications.

- Well-placed distribution center for the region.
- Low operating costs.
- Attractive living environment for expatriates.

Because of former colonial links with Britain, English is widely spoken, and many Bahrainis have been trained with

British firms of accountants, lawyers and other professional bodies.

The BMPO is keen to attract high-value manufacturing and assembly operations that can create a new export and distribution base.

On its "wish list" of high-potential investment areas, it cites industries such as electronics and electrical assembly operations, pharmaceuticals and medical products, and downstream aluminum-based manufacturing operations.

M.F.

PEARL OF THE GULF: HERITAGE ON VIEW

Next spring will see the opening of Bahrain's first beach-resort hotel - Le Meridien, which will be a major attraction for both Gulf tourists and international visitors.

Although Bahrain has many luxury-class hotels, Le Meridien is the only one by the seaside. The hotel

Bahrain is preparing a major tourism drive

has a splendid sandy beach and faces the city center, with its office blocks towering in the distance across the bay. Not far from the approach to the hotel is one of Bahrain's many old Portuguese colonial fortresses, now being restored, and one of the few remaining boat yards, where traditional sailing dhows are built.

Bahrain's fortunes were once based on the pearl trade, which ceased commercially with the advent of the cultured pearl during the 1930s. Bahrain became known as the "Pearl of the Gulf," and today there is an excellent diorama of pearl fishing in the National Museum and Civic Center - a must for any visitor to the island. There are also displays of traditional scenes of life through the centuries to modern times, including a contemporary art gallery with some striking oil and watercolor paintings.

The island is steeped in history and heritage, more so than almost anywhere

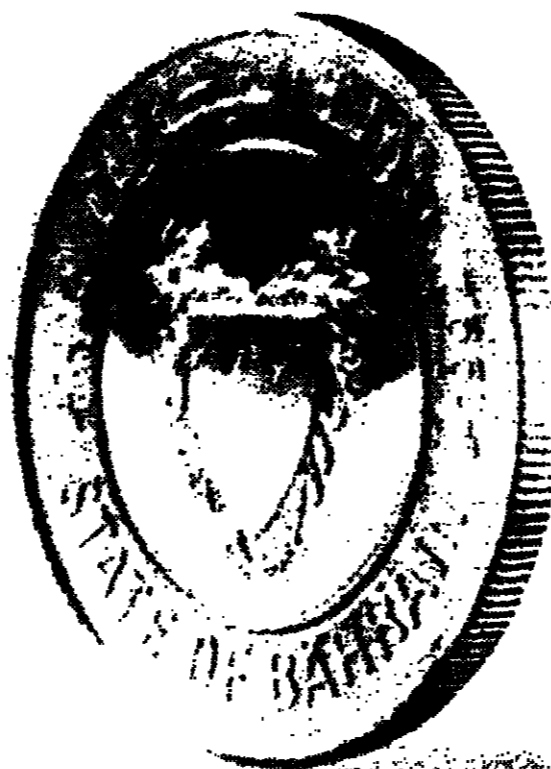
else in the Gulf. The central part of Bahrain is covered with thousands of burial mounds dating back to the third century B.C. and possibly even earlier. In those times, Bahrain was known as "Dilmun," the trading capital of an ancient civilization. Apart from the fort near the Meridien, there are several others that can be visited. These include the fully restored Arad fort on Muharaq island, where concerts and displays of traditional music and culture are held.

"We have archaeological and historical sites to marvel over," says Rajab Khadim, director of tourism and archaeology.

Diving into the past is far from the only thing to do on the island, however. Bahrain offers a full range of sporting activities, including sailing, snorkeling and scuba diving. The island's surrounding coral reefs are rich in all manner of semi-tropical fish.

There are also dhow trips, perhaps followed by a barbecue dinner featuring freshly caught fish on the beach. Other activities include desert safaris and horseback riding. Bahrain is now preparing for a major tourism drive, which will be heralded by a major international conference next May. This will form part of "Bahrain '94," a special government-sponsored week of events to highlight tourist activities as well as other opportunities for investment in the island. M.F.

Wherever you see change in Bahrain



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As one looks back over the last 25 years, one cannot help but marvel at the amazing transformation that has taken place in Bahrain. In Industry, Banking, Technology, Human Resources, the quality of life itself - the changes have been truly remarkable.

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43 GOVERNMENT AVENUE

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بنك البحرين والكويت

SPORTS

Ex-Jay Eichhorn Is 5th Free Agent To Join Orioles

New York Times Service
NEW YORK — Relentless in their pursuit of free agents, the Baltimore Orioles have signed their fifth of the off-season. They added relief pitcher Mark Eichhorn by giving him a minor league contract and assuring him that he would be added to their major league roster on or before Jan. 15.

The club also gave the 33-year-old right-hander a \$25,000 signing bonus and guaranteed \$350,000 of the \$500,000 salary he will earn if he makes the club. The deal includes an option for a second year at a \$537,500 salary, or he would receive a \$37,500 buyout.

He earned \$700,000 with the Toronto Blue Jays last season, when he compiled a 3-1 record and 2.72 earned run average in 54 games.

The Orioles previously signed Rafael Palmeiro and Sid Fernandez plus two of their own free agents, Harold Baines and Tim Lincecum. They have offered another of their free agents, Fernando Valenzuela, salary arbitration.

Other free agents agreeing to new contracts on Tuesday were two infielders, Randy Ready and Jeff Treadway.

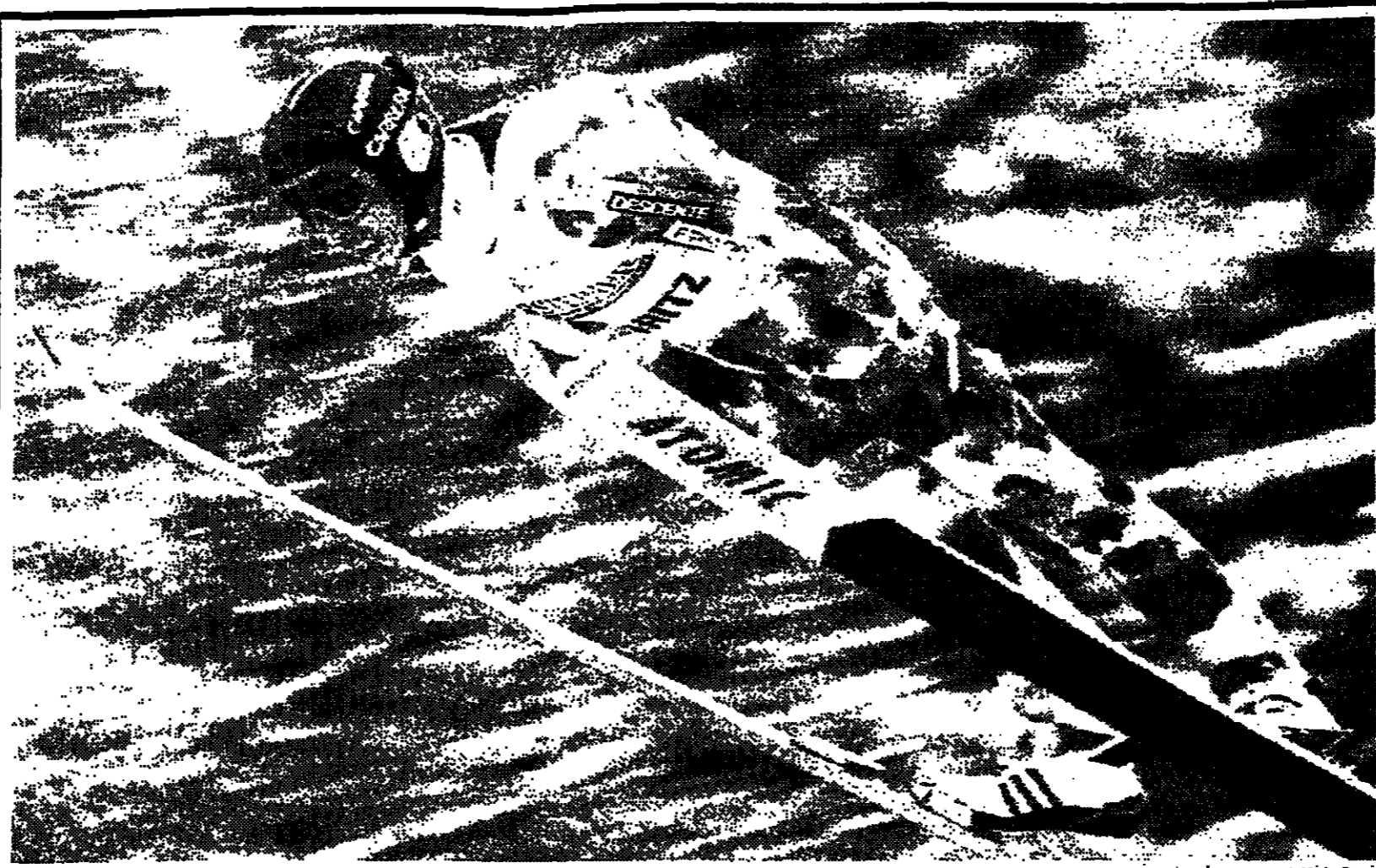
Ready resigned with the Montreal Expos, who had offered him salary arbitration, accepting a minor league contract with the provision for a \$350,000 salary if he plays in the majors. He batted .254 with Montreal last season.

Treadway, a .303 hitter in 221 at-bats last season in Cleveland, rebuffed the Indians' salary arbitration offer and agreed to a minor league contract with the Los Angeles Dodgers. The deal provides for a guaranteed \$500,000 salary wherever he plays, plus an option year for \$500,000, or a \$50,000 buyout.

A former Dodgers catcher, Mike Scioscia, also agreed to a minor league contract, signing with the Texas Rangers, where he will probably become the backup to Ivan Rodriguez.

Scioscia, 35, is a 13-year major leaguer who left the Dodgers as a free agent in 1992, signed with San Diego, then was injured for the 1993 season.

He signed with Texas's Class AAA affiliate at Oklahoma City, but the Rangers manager, Kevin Kennedy expects to tap his leadership and experience to help polish Rodriguez's play, particularly his handling of pitchers.



AIRBORNE — Kenji Ogiwara of Japan soaring toward victory on Wednesday in the ski jump portion of a Nordic combined event in St. Moritz, Switzerland. With jumps of 95.5 and 93 meters, Ogiwara edged his compatriot Takanori Kono, (96 and 92 meters). Bard Joergen Elden of Norway won the event's cross country portion.

World Cup: Preview Not a Draw In Miami

Agence France-Press
MIAMI — Germany and Argentina were determined to make the most of their friendly match here on Wednesday night, despite a poor showing in ticket sales.

Only 15,000 tickets, about half of what the American promoters had hoped, have been sold for the game at the 75,000-capacity Orange Bowl stadium. The game, a sort of kickoff for the 1994 World Cup finals to be played in the United States in June and July, is a rematch of the last two World Cup finals.

The German striker Jürgen Klinsmann said the number of spectators was irrelevant.

"Every match, you play is an important match, but there are certain matches such as Germany versus Argentina or Germany versus Brazil or England that are special matches," Klinsmann said.

"Argentina is always special. These are the two teams that played in the last two World Cup finals. That is all you have to say."

The German squad includes seven of the players from the team that beat Argentina, 1-0, in the 1990 World Cup final in Rome.

Argentina, which beat Germany by 3-2 in the 1986 final in Mexico, is without many of its regular starters. Diego Maradona is out with a pulled hamstring, and Gabriel Batistuta stayed in Europe to play for his Italian club Fiorentina.

"You will see the same Argentina mentality no matter who is playing," said Oscar Ruggeri, the Argentine defender. "The important thing about this game is getting prepared for the World Cup, and for the coach to see the new players."

The German manager, Berti Vogts, said he was disappointed that Maradona was not on the team.

"Maradona's role is to give them stature, a psychological pillar they can lean on," he said. "Maradona fortifies them. It is a pity he can't play this match."

Germany plays the United States on Saturday.

Some Smart Shopping for a Pennant

By Thomas Boswell
Washington Post Service
WASHINGTON — The Orioles signed Mark Eichhorn on Tuesday, a free agent who's pitched in 496 major league games with an ERA of 2.98. He's the kind of proven, quality middle reliever who'd help flesh out any contender's bullpen. He throws sidearm and never gets hurt. If Gregg Olson's arm goes sour, he could free up Alan Mills to be the Orioles' stopper. The Birds signed Eichhorn away from — drum roll — the Blue Jays, who wanted to keep him but couldn't afford him.

If that isn't a sign of the times, tell me what is. Mr. Double H is no star, but he's exactly the kind of player a committed team adds to its mix if it smells a pennant and is willing to go after it. These days, Rafael Palmeiro is Monday, Eichhorn is Tuesday and who knows who is The Man Who Will Be Thursday.

Throughout the Orioles organization, it is virtually assumed that, sooner or later, somebody is going to trade the Orioles a solid 15-game winner for the package of Arthur Rhodes, Manny Alexander, Brad Pennington and Damon Buford. Perhaps the Astros will offer Pete Harnisch and third baseman Ken Caminiti. Whoever rises to the bait — perhaps the Phils for Terry Mulholland — it will increase the Oriole payroll by millions of dollars.

All this underlines one huge and undeniable point.

Peter Angelos, the new Orioles owner, isn't just spending money to please his fans or to keep Camden Yards filled for a couple of years to protect his investment. He isn't just a Baltimore doing the right thing out of civic pride or who wants to hear cheers in restaurants.

This guy wants the World Series. He wants it bad. And he wants it now.

Angelos understands the first rule of modern baseball ownership: Most of the payoff is in the kicks, not the bucks. If you don't love the pump and the pressure, the headlines and the criticism, the whole havin'-a-heckuva-time scene, then put your millions in mutual funds and settle for a season ticket. In a sense, Ted Turner has it right: Buy team. Take Jane to Series.

Angelos could have spent less than he already has and still made every Oriole fan content. Signing Rafael Palmeiro by itself would have sufficed. Angelos certainly doesn't have to keep spending. But it has become clear that he's going to do this job right. Then hold his breath that it works.

For years, the Orioles decision makers have been outwardly bland and inwardly uptight. Now, Angelos has encouraged his top people to have some fun, have some style. As if it were baseball, not heart surgery.

At Monday's Palmeiro press conference, general manager Roland Hemond was showing baby pictures. He even said he'd really wanted Palmeiro all along, not Will Clark, but never dreamed that Texas wouldn't re-sign Palmeiro.

Manager Johnny Oates was broadcasting his possible opening day lineup four months in advance! Brady Anderson, Mike Devereaux, Palmeiro, Cal Ripken, Harold Baines, Chris Hoiles, The Third Baseman (perhaps still Leo Gomez), Jeffrey Hammonds and The Second Baseman (Mark McLemore or Harold Reynolds).

"That's left-right-left-right-left-right at the top and a switch hitter at number 9," said Oates, who loves to make late-inning relief decisions hard for other managers by alternating lefty and righty hitters.

Teams that operate on a shoestring tend to ingrain a kind of defeatism in their dugouts. Clubs that feel ownership cares deeply about winning have an extra cockiness. And if any team needed an injection of cockiness, it's the Orioles.

The Angelos era might even have an impact on that blandness. Oates has already started to speak up for his players, trying to give them a boost by evaluating them highly, rather than protecting himself by leaving the impression that he doesn't have much with which to work.

Sometimes, spending and dreaming and setting high goals works dramatically. Two years ago, the Jays decided it was Now or Never. They spent — wisely but by the barrel. And won back-to-back world titles. Now, they're calming their payroll waters.

Just as often, however, spending and expectations rise but disappointment follows. Two years ago, the Dodgers and Mets acted like the Orioles now. Not only did they fail to win, they both fell apart. Last winter, the Braves got sick of losing the Series. No price — Greg Maddux and Fred McGriff — was too rich. Thanks to the Phils, they didn't even get a chance to lose the Series.

For Angelos and the Orioles there's risk in all this high living. But for fans, there's just pleasure in watching as others walk the tightrope.

WELCOME TO THE powerhouse, fun-house — and perhaps flop-house — period in Oriole history. It's gaudy. It's greedy. But it's also fair. The Orioles aren't spending beyond their means. And they aren't raising the sport's market value for free agents. They got Palmeiro for the same price tag the Rangers established for Clark.

Times change and worms turn. These days, with his Tigers poor and in the dumps, Sparky Anderson likes to say: "When I managed Johnny Bench, Pete Rose and Joe Morgan with the Reds, people thought I was the best thing since sliced bread. Now, those same people tell me I'm too dumb to slice bread."

Already this week the Orioles brass has gotten much smarter. And it's only Wednesday. By Friday, the Warehouse may not be big enough to hold all the Bird brains.

Russian Striker Paralyzed in Lisbon Crash

Complied by Our Staff From Dispatches
LISBON — The Russian international soccer star Sergei Cherbakov was paralyzed from the waist down Wednesday morning on Lisbon's main Avenida de Liberdade, the Portuguese news agency Lusa reported.

The striker, 22, fractured his skull and two vertebrae when the car he was driving collided with two others Wednesday morning on Lisbon's main Avenida de Liberdade, the Portuguese news agency Lusa reported.

Cherbakov was conscious and in stable condition, but unable to move below the eighth and ninth vertebrae, said Dr. Jose Figueiredo.

"There is a chance that the player could get around on his own legs with crutches, but he will not play soccer again," he said, adding that Cherbakov would be operated on later Wednesday.

The crash occurred as Cherbakov, a striker for the first-division club Sporting Lisbon, was returning from a farewell party for Bobby Robson, the coach who was fired on Friday.

A team official said Cherbakov was alone in the car and was the only person injured in the accident. (AP, Reuters)

World Cup for Clubs? Not for German Stars

Reuters
MIAMI — Germany's coach, Berti Vogts, and several of his top players launched a fierce attack on plans for a soccer World Cup for clubs, saying it would put too much pressure on international players.

Vogts said proposals for a biennial competition, which will be discussed Friday by FIFA, the sport's world governing body, would clog an already packed calendar for international stars.

"There are already a lot of demands on the players with international football and the European club competitions," Vogts said. "I don't know when there is going to be time for a world club competition."

He added, "With more tournaments, you would have to ask yourself when the players would be able to take a holiday."

The German team was in Florida to play a friendly match against Argentina on Wednesday.

Plans for a 16-team competition among professional clubs, in addition to that among national teams, will be discussed by FIFA's executive committee at a meeting in Las Vegas before Sunday's 1994 World Cup draw.

If approved, the first tournament is planned for the summer of 1995. Eight teams from Europe would compete with two each from FIFA's four other confederations.

It has been proposed that the event be held in odd years to avoid clashing with the Olympics or the

World Cups. Some members of Germany's 1990 World Cup-winning squad expressed fear that this would force national leagues to cram more fixtures together. This could threaten the traditional two-month winter break in Germany, for example, and reduce players' holidays.

"I don't think it's possible," the veteran midfielder Andreas Brehme said. "It would be difficult to work it. The year is full as it is."

The Juventus midfielder Andreas Möller added: "Whoever thinks up plans like this perhaps doesn't have a family. A good break in the year is very important."

Vogts said he was concerned that the first tournament would get in the way of qualifying games for the next European championship in 1996 and the extra club commitments would restrict the time he had with players for international matches.

"I would insist on keeping all the fixtures for the national team and having the players free for five days beforehand," Vogts said.

The plans were even criticized by Franz Boehmert, the president of Werder Bremen, the reigning German club champion. "It might devalue the European Champions' and national leagues," he said. "You would need 30 players, and that puts the financial aspects into perspective."

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DENNIS THE MENACE



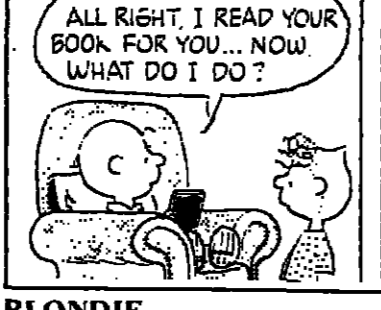
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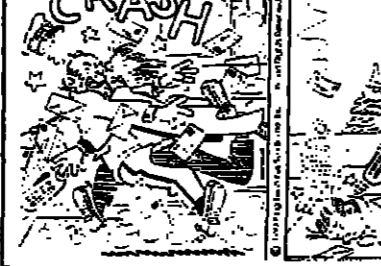
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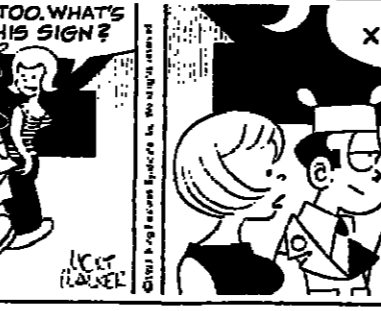
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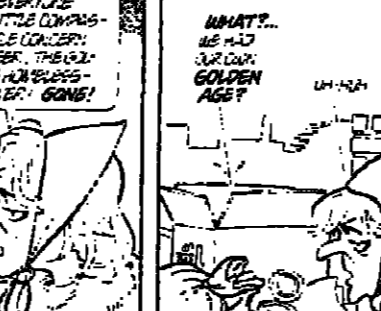
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SPORTS

Driver Who Hit Hurley Tests Positive for Drugs

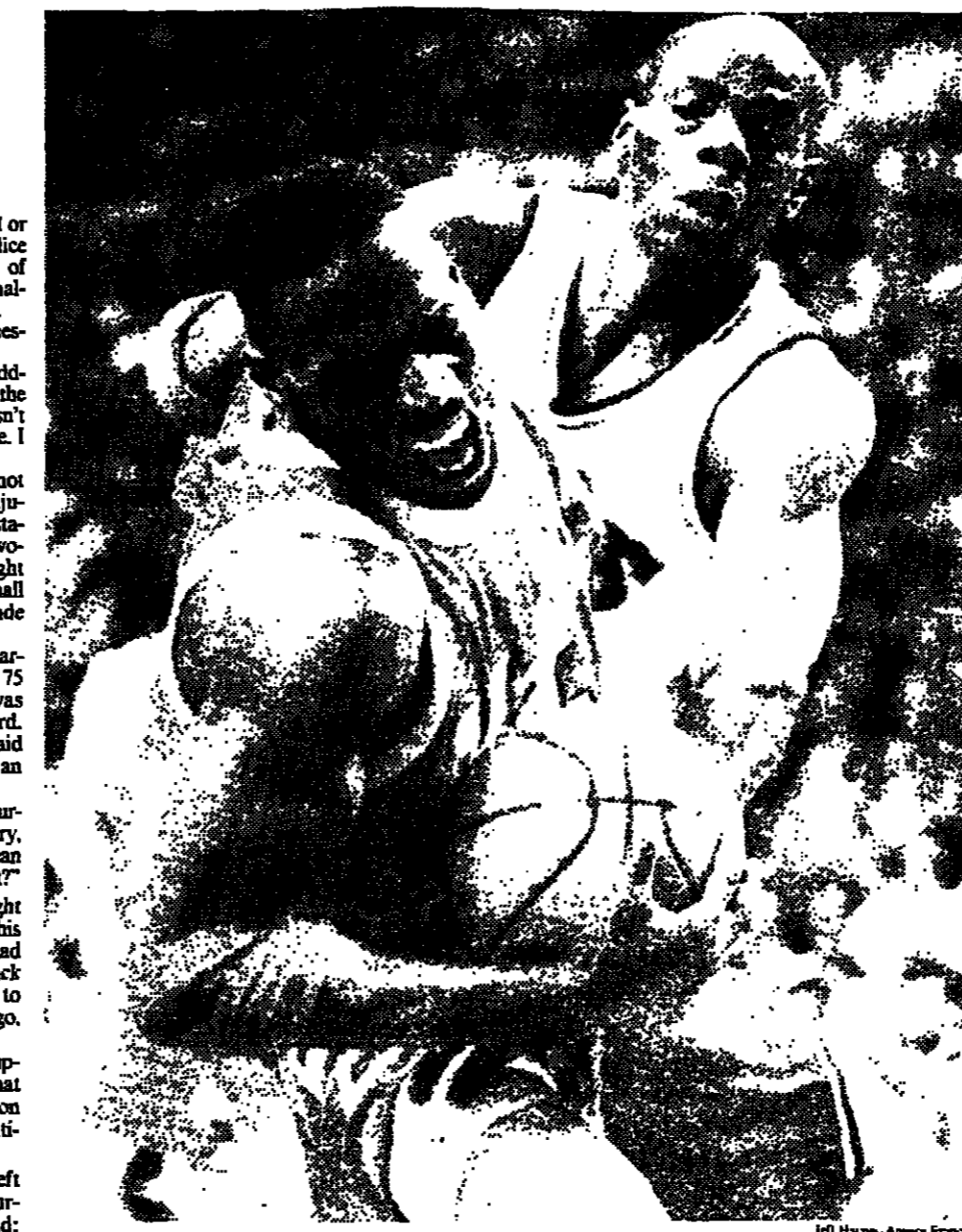
By Tom Friend
New York Times Service
SACRAMENTO, California — The 37-year-old man who drove the car that seriously injured the Sacramento Kings' rookie Bobby Hurley in an accident Sunday has tested positive for an unspecified amount of amphetamine, according to a Sacramento police official.

Fans Warm to Wilkens, Then Hawks Grill Cavs

The Associated Press
First, the crowd warmed to Len Wilkens. Then, the Atlanta Hawks turned up the heat on the Cleveland Cavaliers.

Whitbread Boats Dispute Time Award to Yachts

Completed By Our Staff From Dispatches
FREMANTLE, Australia — The American yacht Winston and the French vessel La Poste were compensated Wednesday for turning back to help the stricken Italian yacht Brookfield in the Whitbread Round the World Race, but rival boats disputed the decision.



Keith Willis, left, snatched a loose ball from the Cavaliers' Tyronne Hill in the Hawks' 103-92 triumph.

Will Player's Death Sink Up-and-Down Oilers?

By Thomas George
New York Times Service
NEW YORK — What a season this has been for the Houston Oilers.

SIDELINES

Sampras and Graf Are ITF Champs

LONDON (Combined Dispatches) — Pete Sampras and Steffi Graf were named world champions for 1993 by the International Tennis Federation on Wednesday.

SCOREBOARD

Table with columns for NBA Standings (Eastern and Western Conferences) and NHL Standings (Eastern and Western Conferences).

Patriots Sign Veteran Kicker Bahr

FOXBORO, Massachusetts (AP) — The New England Patriots claimed the veteran National Football League kicker Matt Bahr off waivers, reuniting him with Coach Bill Parcells.

Major College Scores

Table listing scores for various college sports including basketball, football, and soccer.

Indurain May Attempt Hour Record

MADRID (AFP) — Miguel Indurain, the three-time Tour de France winner, may attempt the world hour cycling record after his defense of the Tour de France in July, the director of his Banesto team said Wednesday.

Shula Wins Sports Illustrated Honor

NEW YORK (Reuters) — Don Shula, the Miami Dolphins coach, who this year passed the Chicago Bears legend George Halas as the National Football League coach with the most career victories, has been named Sportsman of the Year by Sports Illustrated magazine.

For the Record

Michael Benn's first defense of the World Boxing Organization heavyweight title he took from Tommy Morrison in October is expected to be against the undefeated British fighter Herbie Hide at a soccer stadium in March, promoters said in London.

Quotable

Mark James of England, before the 1993 Ryder Cup: "The only thing that scares me about the Americans now is the clothes they wear."

INTERNATIONAL CLASSIFIED (Continued From Page 15). Includes sections for ESCORTS & GUIDES, BELGRAVIA ORCHIDS, MERCEDES, and various international travel and service agencies.

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ART BUCHWALD

A Paramount Issue

WASHINGTON—If you have been following the takeover battle for Paramount Pictures, you may be aware of how the big guys on Wall Street make their living.



I must admit that I have a vested interest in the battle. Paramount Pictures owes me \$900,000, which a judge awarded to my partner, Alan Bernheim, and me when we claimed that the movie "Coming to America" was based on our original idea.

Paramount took the judge's decision to the California Supreme Court, where it is now stalling. But I'm sure that someday when Paramount runs out of appeals, Martin Davis, the CEO of the company, will happily present us with a check on the stage of the Paramount Theater.

Here's what happened: Davis was looking for a friendly buyer to merge with, and then he discovered Viacom, a giant entertainment conglomerate. The companies would exchange only stock and it would not cost either one a red penny. But once Davis put Paramount "in play," other companies decided to bid on it with real money instead of dead cats.

From the Four Seasons restaurant in New York the big boys started to throw big bucks on the table, and suddenly the friendly takeover turned into a bidding war which, as of this writing, has reached \$10 billion.

Where, dear reader, does the money come from? It comes from our telephone companies, newspaper giants, Blockbuster Video stores and junk bonds. Let's not forget junk bonds — millions of dollars worth, issued on beautifully embossed, watermarked paper.

At the same time I owe Davis. If it weren't for him, the judge wouldn't have awarded me all that money from the hit Eddie Murphy film.

If Davis wants the sympathy of the public I think he should announce that he will pay me off with that little cash will be left in the company after the raiders get through with it. I might even take 50 cents on the dollar and a free cellular phone from Bell South, which is one of the bidders.

Forget the personalities in this biz. If nothing else, the Paramount fight is going to give investment bankers, Wall Street lawyers and financial PR experts the best Christmas they ever had.

I could use the \$900,000 before the holiday season, but Paramount's lawyers are balking. They have been given orders to win the appeal so that my money will not be charged to the sale of the firm.

Tiepelo Painting Stolen

VENICE—An early work by the 18th-century Italian master Giovanni Battista Tiepolo was stolen from a parish church in Venice. A carabinieri spokesman said thieves probably hid in the church of Santa Maria della Consolazione before it closed, cut out the large Tiepolo canvas showing the education of the Virgin and then let themselves out by the main door. "There was no sign of a break-in," he said.

Eye Contact With a Dynamic Duo of Jazz

By Mike Zwerin International Herald Tribune

PARIS — Picture lovebirds holding hands on a love seat sipping Champagne in a luxurious salon off the lobby of a slick hotel near the Louvre. Eye contact, veiled by her long blonde bangs, was between each other more than the interviewer.



Carla Bley and Steve Swallow: Do They Dare to Eat a Peach?

After being colleagues for two decades, Carla Bley and Steve Swallow became the jazz couple of the '90s. They bill and cook in their house in the woods in the suburbs of Woodstock, New York, and make beautiful music together in their home-studio. Occasionally, they go on the road. In the winter, they lay back on Caribbean beaches.

Bley's career goes back to the late '50s when she asked the managers of Birdland if she could be their cigarette girl. They said they didn't need a cigarette girl. She said she'd work for tips, she really just wanted to listen to the music. As I recall, she wore a pink turtleneck and leopard. She had nice long legs.

Swallow was the first jazz bass player to go electric. He tried making a table out of the acoustic upright for old time's sake but his legs kept sliding off of it so he gave it to Jack Gregg. He played with Stan Getz, Gary Burton and Chick Corea, but most cats still do not approve of the electric bass. Personally I'd rather play with a swinging broom player than a mediocre contrabassist, but I guess I'm weird. He wrote "General Mojo's Well Laid Plan."

Bley's early compositions were interpreted by Cecil Taylor and George Russell (both have since won \$350,000 MacArthur Foundation grants) and her first husband, pianist Paul Bley. She wrote "Ida Lupino" and the standard "Sing Me Softly of the Blues." Her opera, "Escalator Over the Hill," featured Gato Barbieri and Jack Bruce. She and second husband trumpeter Mike Mantler wrote music for their little-big band, which played Polish drinking songs and "La Paloma." They founded their own record label, WATT. "I'm a jazz musician who doesn't play jazz," she said. Her instrumental album "I Hate to Sing" was followed by a Brian Eno production of her singing songs by John Cage. She hated it.

Back in the salon, he quoted Thomas Stearns Eliot just for the heck of it. "When the evening is spread out against the sky / Like a patient etherized upon a table. Do I dare to eat a peach?" Getting down to business, I asked them how they liked being itinerant bandleaders.

He: "We put our charts under our arms and go out there and flog them." She: "He gangs up on the local rhythm section. I gang up on the local horns." He: "They don't stand a chance."

She: "If they play the music as written we give them a solo as a reward. I'm glad there are musicians in Helsinki and Stockholm who like to do that. We come with our arrangements, teach them to the guys, stay in one place for a week, eat in nice restaurants, give a concert, get the money and go home. The Sicilians were wonderful too."

This is a state-of-the-art version of the name soloist who rides into town like the Lone Ranger, saves a local rhythm section and leaves without waiting for a "thank you, Masked Man."

He: "Yeah, I used to be the local rhythm section, in San Francisco. Some nights are nightmares, nobody seems to be in the same key. Somehow it usually turns out to be cool."

She: "I could never be in a local rhythm section. I don't know enough tunes. Hermeto Pascoal asked me to sit in and play 'Autumn Leaves' with him. I said I don't know 'Autumn Leaves.'"

He: "Now, don't get off on that self-deprecating trip of yours, like you did the last interview."

She: "O. K. I'm learning. I can play 'All the Things You Are.' But the nice part about playing your own tunes is nobody knows if you've made a mistake."

He: "She has to reinvent the wheel every time she does it." They now form a duo. For the first time she has been working as a full-time pianist. She never really practiced

piano before. The first day she began by practicing one minute, she timed it. O. K., no big deal, two minutes the next day. She worked it up to 20 minutes.

She: "The problem with reinventing the wheel is that I don't like practicing exercises that are already written. I want to write my own. I get too involved in that. Bach and Brahms and Oliver Nelson have already done that. I say, 'Steve, look what I just invented for my fourth finger,' and he says 'But they've taught that for years at Berklee.'"

He: "The composing is constantly impinging on her playing, but now I think the opposite is beginning to happen, which is not bad."

She: "You're lucky. You play one note at a time. I have to play six."

He: "Six notes on the keyboard is a chord, that's like one note."

She: "Six wrong notes are six wrong notes."

He: "Let's humor her on this." They kiss. Freeze.

The conversation turned philosophical. Swallow decried the current conservatorial "jazz mentality." Music students are taught to be fast, lionlike musicians. There is no grade for creativity. Old-time "strange ones," Tony Fruscella for example, would never encourage "heroes" like the ex-Zappa guitarist Steve Vai.

"These days," Swallow said, "I suspect that it is useful to carve out a small particular turf for yourself, although that way of thinking appears to be going out of style."

I find the reverse to be true. The current system favors technocratic specialists — the post-bop Roy Hargrove, who just signed a multi-album contract with Verve, for example.

Swallow swam out of hot water: "I'm going to have to retreat on that, because we really don't know. We never heard Roy Hargrove. We live out there in the woods, we got no radio, no television. If you say this is so, that's heartening. So long as I'm allowed my own turf."

Considering the prejudice against the electric bass, he isn't. And it's not heartening. I've heard Branford Marsalis ridiculing people who don't play according to his taste. This sort of thing can get vicious. Today's hot players are vicious carving their own turf. Winton Marsalis verbally slashes rap-inclined players, trumpeters who don't reflect Louis Armstrong, and for that matter anybody over 30.

She: "In a way I envy people like that. I'd like to feel that confident and that hip for just a minute."

He: "Well, rip off one confident phrase and then we can return to our tentative problings."

PEOPLE

Ted and Vicki Kennedy Leave 'em Laughing

Ted Kennedy and his wife, Vicki, brought down the house at the senator's annual Christmas party in Washington when he showed up in a huge purple Barney the Dinosaur costume and she was outfitted as a little girl with a braided blond wig. They skipped and danced around to the Barney theme song ("I love you, you love me...") and then launched into a hilarious — and racy — skit. When asked about his outfit, he quipped, "They don't call me Tyrannosaurus rex for nothing."

Colin Powell, the former chairman of the Joint Chiefs of Staff, has added a knighthood to his many honors. Powell received his insignia from Queen Elizabeth II, making him an Honorary Knight Commander of the Most Honorable Order of the Bath.

Steven Spielberg's "Schindler's List" pulled in another award as 1993's best movie, but the best director prize continues to elude him. The National Board of Review named the movie its top pick. Martin Scorsese won the director award for "The Age of Innocence." The Los Angeles Film Critics Association also picked "Schindler's List" as best picture and named Jane Campion best director for "The Piano." Spielberg has never won a best-director Oscar.

With Liza Minnelli getting the first honor, Radio City Music Hall unveiled its "Sidewalk of Stars" in New York. Dancers of the Rockettes chorus line unveiled other stars, for Tina Turner, Frank Sinatra, Judy Garland, Bette Midler, Barry Manilow, Michael Crawford, Whitney Houston, Ray Charles, Andrew Lloyd Webber, Diana Ross and Shirley Maizel.

Vladimir Makin has won the second annual \$10,000 (\$15,000) Booker Prize for Russian fiction, an offshoot of the British Booker Prize, for "A Baize-Covered Table With a Decanter in the Middle."

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WEATHER

Table with weather forecasts for Europe, including High, Low, Wind, and Precipitation for various countries like France, Germany, and Italy.

Forecast for Friday through Sunday, as provided by Accu-Weather.



North America: Dry weather will return to the area from Boston to Washington, D.C. Friday into Saturday. A storm is expected to bring rain or snow Saturday night or Sunday. Rain and a few thunderstorms are expected over the southeast from Atlanta to Orlando. Part will reach Los Angeles this weekend.

Table with weather forecasts for North America, including High, Low, Wind, and Precipitation for cities like New York, Chicago, and Los Angeles.

Table with weather forecasts for Asia, including High, Low, Wind, and Precipitation for cities like Bangkok, Beijing, and Hong Kong.

Asia: Scattered showers will continue over the Philippines this weekend, including the Manila area. Hong Kong will have rain or showers Friday, and a trend toward sunny, milder weather will set in over the weekend. Northern China through Japan will be windy and cold.

Table with weather forecasts for Africa, including High, Low, Wind, and Precipitation for cities like Accra, Cape Town, and Johannesburg.

Latin America: Buenos Aires, Caracas, Lima, Mexico City, Rio de Janeiro, Santiago, Sao Paulo, and Caracas weather forecasts.

CROSSWORD

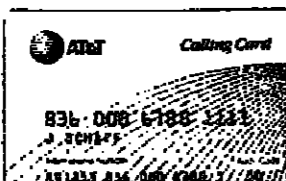
ACROSS
1 Name from 50's TV
9 Baseball's Doubleday
14 Romberg product
15 Filmdom's Lawrence
17 Infant's game
19 Infant's shoe
19 Showed fear
20 Stupidity
24 Mal de ...

DOWN
1 Person with a collar?
2 One rung on the evolutionary ladder
3 Spikes, for one
4 Biblical vessel
5 Coach Bryant
6 Up
7 High
8 Vietnamese money unit

Solution to Puzzle of Dec. 15
T I M I D A L P S A M T S
O C A L A D A L E B O U T
J O L L Y R O G E R A R N O
Q U E S T I O N A B S T A I N
O P E C T E N S E
O C T A N E H A I R E O P A
R O R Y E U R E B O A
G R E E N E G G S N O H A M
Y E S I M A G O E M M A
H E S S E R H E O
A R T I S A N A R E T T A
T R E X G I A N T S Q U I D
L O V E E N D S T O R C O
O L E S D O Z E S I N K S

Crossword puzzle grid with clues and a 'New York Times Edited by Will Shortz' note.

Travel in a world without borders, time zones or language barriers.



Imagine a world where you can call country to country as easily as you can from home. And reach the U.S. directly from over 125 countries. Converse with someone who doesn't speak your language, since it's translated instantly. Call your clients at 3 a.m. knowing they'll get the message in your voice at a more polite hour. All this is now possible with AT&T!

To use these services, dial the AT&T Access Number of the country you're in and you'll get all the help you need. With these Access Numbers and your AT&T Calling Card, international calling has never been easier. If you don't have an AT&T Calling Card or you'd like more information on AT&T global services, just call us using the convenient Access Numbers on your right.

Table of AT&T Access Numbers for various countries, categorized by region: ASIA, EUROPE, AMERICAS, MIDDLE EAST, CARIBBEAN, and AFRICA.

*AT&T Calling Card not available in all countries. **Worldwide service available in all countries. ***Service available in all countries. ****Service available in all countries. *****Service available in all countries.

